



Daily Report

East Asia

FBIS-EAS-88-060

Tuesday

29 March 1988

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Japan

Obuchi Sees Progress in Construction Talks

OW290325 Tokyo KYODO in English 0311 GMT
29 Mar 88

[Text] Tokyo, March 29 KYODO—Chief Cabinet Secretary Keizo Obuchi said Tuesday that construction talks in Washington between Japan and the United States made some progress on Monday but there are still problems to be ironed out.

The government spokesman told reporters after a regular cabinet meeting that Japan and the U.S. have not reached a final agreement on Japan's opening up of its construction market to U.S. firms.

Obuchi said he hopes the two countries will reach a final agreement at Tuesday's talks, adding they agreed on many points and are making efforts in a last ditch attempt to settle the dispute.

In Washington, Japan's deputy chief cabinet secretary Ichiro Ozawa and deputy U.S. trade negotiator Michael Smith had two rounds of talks Monday but failed to reach final accord.

The United States has asked Japan to guarantee American firms to take part in biddings not only in government-financed public works projects but also in private sector-sponsored projects, according to Japanese Government sources.

Japan has offered to the U.S. that the government will encourage the private sector to allow U.S. firms to participate in biddings.

The Americans have shown strong interest in participating in biddings for airport terminal building projects which are undertaken not by the government but by private firms, the sources said.

Japan has so far offered to open seven public works projects, which include two airport projects—expansion of the Tokyo International Airport at Haneda, southern Tokyo, and construction of a new airport in Hiroshima.

Takeshita Receives Visiting Lao Officials

OW290845 Tokyo KYODO in English 0816 GMT
29 Mar 88

[Text] Tokyo, March 29 KYODO—Prime Minister Noboru Takeshita and Laotian Vice Premier and Foreign Minister Phoun Sipaseut agreed Tuesday to further promote bilateral relations, a Foreign Ministry official said.

Phoun, who arrived here on Monday for a five-day visit to Japan, paid a 20-minute courtesy call on Takeshita at the prime minister's official residence, the official said in a briefing to reporters.

The Laotian foreign minister thanked Takeshita for Japanese economic assistance, saying Japan's aid has been appropriate to Laotian needs.

Concerning the armed conflict in Kampuchea, Phoun was quoted as telling Takeshita that the nine-year-old war is an obstacle to development in the region.

Phoun also expressed hope that peace negotiations between Kampuchean resistance leader Prince Norodom Sihanouk and the Vietnam-backed Prime Minister Hun Sen will help end the war.

Takeshita promised to maintain cooperative relations between Japan and Laos, according to the official.

Phoun, who is the first foreign minister to visit Japan since the founding of the Lao People's Democratic Republic in December 1975, is scheduled to meet Foreign Minister Sosuke Uno Tuesday evening.

Uno Attends Aid Pact Ceremony

OW290905 Tokyo KYODO in English 0855 GMT
29 Mar 88

[Text] Tokyo, March 29 KYODO—Japan will provide Laos with grant aid of up to 374 million yen to help it expand the Vientiane river port, the Foreign Ministry said Tuesday.

The two countries exchanged diplomatic documents on the assistance in a Tokyo ceremony attended by Japanese Foreign Minister Sosuke Uno and Laos' Vice Premier and Foreign Minister Phoun Sipaseut.

The port project will promote transportation through the Mekong River, officials said.

Phoun is currently on a five-day visit to Japan through Friday.

Takeshita Receives Bahamas Premier Pindling

OW281241 Tokyo KYODO in English 0732 GMT
28 Mar 88

[Text] Tokyo, March 28 KYODO—Prime Minister Noboru Takeshita and Sir Lynden Pindling, prime minister and finance minister of the Bahamas, on Monday agreed to tighten bilateral relations, a Foreign Ministry official said.

Pindling, who arrived here on Saturday on a four-day unofficial visit, paid a courtesy call on Takeshita at the prime minister's official residence and chatted for 20 minutes, the official said in a briefing to reporters.

Takeshita, who welcomed Pindling at the entrance of the residence, was quoted as saying that he hopes Pindling's visit would contribute to tightening friendly relations between Japan and the Bahamas.

The leader of the Caribbean nation said his country wants to open a representative office in Tokyo this year and upgrade it to a consulate general in the next two to three years.

Pindling said his country hopes to deepen relations with Japan not only in shipping but also in tourism and finance.

Takeshita said he thinks it is time for Japanese financial institutions to locate in the Bahamas.

Miyazawa on Stabilizing Exchange Rates
OW290227 Tokyo KYODO in English 0215 GMT
29 Mar 88

[Text] Tokyo, March 29 KYODO—Finance Minister Kiichi Miyazawa said Tuesday the yen is strengthening “too erratically” and the government will take “every possible step” to stabilize foreign exchange rates.

Miyazawa, who made his remark at a press conference after a cabinet meeting, suggested “every possible step” including coordinated intervention by advanced Western democracies into the world’s currency markets in line with a joint statement, announced last December, to stabilize the dollar.

The finance minister predicted the present “wild fluctuations” will be stabilized before meetings of the International Monetary Fund (IMF) and the Group of Seven (G-7) industrialized nations in mid-April.

Miyazawa reaffirmed that G-7 nations, including Japan, are stepping into currency markets to prevent the U.S. unit from declining further.

Agency To Probe Indonesia Plywood Industry
OW260425 Tokyo KYODO in English 0259 GMT
26 Mar 88

[Text] Tokyo, March 26 KYODO—Japan will send to Indonesia Monday two officials of the Forestry Agency to investigate whether Indonesian plywood exports to Japan are conducted under an unfair quota system, agency officials said Saturday.

The Japan Plywood Manufacturers Association has been asking the government to file a complaint with the General Agreement on Tariffs and Trade (GATT) over Indonesia’s alleged violation of GATT rules.

Indonesia allegedly applies special quotas to plywood exporters and this has led to the plight of the Japanese plywood industry, association officials said.

Overall Refugee Aid To Exceed 6 Billion Yen
OW281307 Tokyo KYODO in English 1102 GMT
28 Mar 88

[Text] Tokyo, March 28 KYODO—Japan will give a total of 6.16 billion yen in economic aid to purchase food for refugees in Kampuchea, Pakistan, Africa and the Middle East, the Foreign Ministry said Monday.

Of the total, 2 billion yen will be used to buy rice for Kampuchean refugees in Thai-Kampuchean border areas.

Some 2.1 billion yen will be allocated to purchase wheat for Afghan refugees in Pakistan, 814 million yen to buy rice for Africa refugees and 1.2 billion yen to obtain wheat for Palestinian refugees in the Middle East.

Diplomatic documents were exchanged on Monday in Rome between Japan and the World Food Program, and in Vienna between Japan and the United Nations Relief and Works Agency for Palestine refugees in the Near East, according to the ministry.

Indicators Show Continued Economic Recovery
OW290821 Tokyo KYODO in English 0744 GMT
29 Mar 88

[Text] Tokyo, March 29 KYODO—A package of economic indicators Tuesday showed the Japanese economic recovery since last October is continuing strongly.

The Economic Planning Agency (EPA) said the leading indicator for January, the latest reporting month, was 72.7, standing above the so-called boom or bust line of 50 for the 13th straight month.

The indicator, consisting of 12 items including new machinery orders and housing starts, forecasts likely trends in the economy in the near-term.

EPA officials said although housing starts are likely to slow down a bit, plant and equipment investments will remain firm enough to offset the slowdown, leading the Japanese economy to further expansion.

The projection was based on active new machinery orders and a better corporate earnings position, the officials said.

The 11-indicator coincident index, which is considered a measure of current trends in the economy, rose to 90.0 in January from 81.8 the previous month, marking a higher level above the critical midpoint for the 13th consecutive month, the report said.

The lagging index, which shows the state of economy about half a year ago, stood at 71.4, down from 93.8 the previous month, it said.

The officials said that at the moment, there is virtually no element that would adversely affect Japanese business activities.

Although the labor market has been getting a bit tighter, an increase in income for salaried workers has spurred personal consumption, the officials said.

Diet Business Stalled Over Tax Cut Plan

*OW290419 Tokyo KYODO in English 0416 GMT
29 Mar 88*

[Text] Tokyo, March 29 KYODO—Diet (parliament) business ran aground Tuesday morning as the opposition camp boycotted committee deliberations in reaction to the Liberal Democratic Party's slow response to a tax cut plan.

All 15 committees of both houses of the Diet failed to come to session except for the House of Representatives Judicial Affairs Committee which held a public hearing to listen to witnesses.

The Japan Socialist Party, Komeito and the Democratic Socialist Party had urged the LDP to explain its position on the source of revenues to finance the opposition-proposed 2.94 trillion yen tax reduction plan by Monday.

The LDP, however, postponed its response one day to Tuesday, angering the opposition camp.

On March 8, the ruling and opposition camps agreed to carry out the opposition tax plan and to open talks on how to secure its financial source.

Briefs

Aid To PRC

Tokyo, March 29 KYODO—Japan will extend to China up to 500 million yen in economic aid to help the country purchase medical equipment for a hospital in the Xinjiang-Uygur region, the Foreign Ministry said Tuesday. The hospital, located in Xinjiang-Uygur's capital Urumqi, treats patients suffering from rheumatism and respiratory diseases. The two governments exchanged diplomatic documents on the aid Tuesday in Beijing, the ministry said. [Text] *[OW290359 Tokyo KYODO in English 0256 GMT 29 Mar 88]*

North Korea

KCNA Reports 29 March 'SR-71' Overflight

*SK291045 Pyongyang KCNA in English 1035 GMT
29 Mar 88*

[Text] Pyongyang March 29 (KCNA)—The U.S. imperialist aggressors infiltrated an "SR 71" high-speed, high-altitude reconnaissance plane deep into the air above the territorial waters east of Kosong on the east

coast of Korea from 13:07 to 13:11 [0307 to 0311 GMT] today, which flew up to the sky above the coastal waters of Tanchon City, South Hamgyong Province, to conduct aerial espionage against the Democratic People's Republic of Korea.

Such aerial espionage acts have numbered 12 since the adventurous "Team Spirit 88" joint military exercises started.

This clearly shows that their new war provocation moves have entered into an extremely dangerous stage.

Daily on 'Dangerous' Stage of 'Team Spirit

*SK281159 Pyongyang Domestic Service in Korean
0008 GMT 27 Mar 88*

[NODONG SINMUN 27 March commentary: "A Game of Playing With Fire That Has Reached a Dangerous Stage"]

[Text] The aggressive "Team Spirit-88" war exercise has assumed a more frantic nature after hitting its stride.

According to a news report, a unit of the puppet army proceeded to an operational area on 24 March for a large-scale offensive operation. Timed to coincide with this, another puppet army unit conducted a mobile strike unit exercise and continued it throughout the night, while aircraft flew overhead and loudspeakers broadcast noises. Even residents were mobilized in this exercise

On 25 March, the first contingent of special units of the U.S. forces—they had been ferried by transport planes from bases in the western section of the United States—were dropped from midair over Yaju, Kyonggi Province, and then deployed in exercise sectors.

In the meantime, the puppet army conducted a live-fire exercise in Kwangju on the same day. The explosion of the shells caused a brush fire, which resulted in damage to 7 chongbo of forest.

Prior to this, on 23 March, the person holding the post of puppet defense minister uttered, at the puppet air force headquarters, extremely bellicose remarks such as urging 24-hour readiness to enable the annihilation of someone else in the initial stages of a war.

This graphically demonstrates what a reckless stage the aggressive "Team Spirit-88" joint military exercise of the U.S. imperialists and the puppets has entered. The military movements by the U.S. imperialists and the puppets, movements that bear a close resemblance to the eve of a war, naturally arouse concern and indignation not only among all the Korean people, but also among peace-loving people the world over.

The fact that special units of the U.S. forces have already been committed to the "Team Spirit-88" joint military exercise is a development that cannot be overlooked.

The aircraft that airlifted the special units of the U.S. forces flew directly to South Korea from the continental United States without midair refueling, and then directly dropped the troops of aggression into the operational areas.

It is known that the U.S. imperialists have in every recent "Team Spirit" war exercise had the Green Beret hooligans, who are also known as the devil's unit, repeatedly carry out an exercise involving infiltrating the rear of the northern half of the republic and then detonate nuclear backpack weapons there. The fact that the U.S. imperialists airlifted specially trained units from the continental United States, without making any stopovers, and then dropped them into an operational area clearly proves they are about to launch an attack at the rear of our Republic, while at the same time lighting the torch of war in the frontline areas close to the Military Demarcation Line.

What equally draws our attention is the fact that the South Korean puppets are running riot in the war exercise and showing unprecedented enthusiasm. A concrete expression of this is the fact that, timed to coincide with the earnest stage that the "Team Spirit-88" exercise has entered, units of the puppet armed forces of all services are more frequently carrying out games of playing with fire. Another expression of this is that while successively visiting army, navy, and air force Headquarters, bellicose elements in the puppet military openly called on them to establish a posture of complete war readiness against us.

This clearly demonstrates that the fascist No Tae-u military ring is a group of wicked antinational traitors who are bent on lighting the torch of war against its fellow countrymen at any cost, thus serving the U.S. imperialists as mercenaries.

Due to the provocative war exercise scheme by the U.S. imperialists and the No Tae-u ring, an extremely serious situation capable of at any time triggering a full-scale war has been created on the Korean peninsula.

Our people are now keenly watching every move by the warmongers with a high degree of vigilance.

The U.S. imperialists and the No Tae-u ring should look squarely at the trend of the times and discontinue their criminal war exercise commotion without delay.

If the U.S. imperialists and the puppets choose the path of military adventure without heeding our repeated warnings, they will never be able to avoid a thousandfold reprisal.

Further on Rallies Supporting KPA Alert Order

*SK270821 Pyongyang KCNA in English 0801 GMT
27 Mar 88*

[Text] Pyongyang March 27 (KCNA)—Mass rallies were held in Pyongsong City, South Pyongan Province, and Kaesong municipality on March 25 and meetings in Yonan County, South Hwanghae Province, the Hungnam fertilizer complex and a unit of the Korean People's Army to which Comrade Cho Mu-kun belongs in support of the order of the KPA supreme commander.

The speakers expressed full support to the order of the supreme commander of the Korean People's Army, saying it is a just self-defensive step for firmly defending our socialist homeland and the gains of the revolution from the aggressive "Team Spirit 88" war exercises being staged by the U.S. imperialists and the South Korean puppet clique and a most revolutionary step for firmly safeguarding peace on the Korean peninsula and security in Asia and the rest of the world.

Noting that the U.S.-Japan-South Korea triangular military alliance is actually on the move, synchronizing with those military exercises, they said: This shows that the U.S. imperialists intend to inveigle even the Japanese militarist forces of aggression into South Korea to ignite a new war, nuclear war, on the Korean peninsula at any cost.

If the U.S. imperialists try to threaten us by force of arms, resorting to the policy of "strength", it is a miscalculation, they stressed.

They urged the U.S. imperialists to stop a war racket and get out of South Korea at once and the traitor No Tae-u to step down from power without delay.

We, they said, do not want war but are not afraid of it. They solemnly warned that if the U.S. imperialists and their stooges enkindle a war in this land, our people and the entire officers and men of the People's Army with bayonets of revenge in hands will wipe out the aggressors to the last one.

Leaders Attend Rallies

*SK280739 Pyongyang Domestic Service in Korean
2300 GMT 26 Mar 88*

[Excerpts] The order of the KPA supreme commander to institute a complete combat mobilization posture with heightened vigilance, to cope with the grave situation created in our country by the reckless military provocation maneuvers of the U.S. imperialists and the South Korean puppet clique, has evoked the full support of and great repercussions among the people and the soldiers of the People's Army across the country. On 25 March, mass rallies and gatherings to support the order of the KPA supreme commander were held in Pyongsong City, Kaesong City, and Yonan County. [passage omitted]

Kim Ui-son, chairman of the South Pyongan Provincial Administration and Economic Guidance Committee, and other responsible functionaries from the local party, government organizations, administration and economic organizations, and worker's organizations; KPA generals; heroes; unheralded meritorious workers; and forerunners of the three revolutions attended the Pyongyang City mass rally, together with approximately 40,000 masses from all walks of life, youths, and students in the city. Following Kim Ui-son's speech, Yi Cha-pong, a KPA officer representing the officers and men of the KPA; Yu Sun-ku, representing the members of the Red Worker-Peasant Militia; and Son Myong-yol, representing the participants of the fatherland liberation war, gave speeches at the rally. [passage omitted]

Kim Ki-son, responsible secretary of the Kaesong municipal party and chairman of the Kaesong Municipal People's Committee; Han Kwang-nim, chairman of the Kaesong Administration and Economic Guidance Committee; KPA Major General Yi Tae-ho, our side's senior member to the MAC; and other responsible secretaries of local party, government organizations, administration and economic organizations, and worker's organizations; heroes; unheralded meritorious workers; and forerunners of the three revolutions attended the Kaesong City mass rally, together with 30,000 masses from all walks of life, youths, and students in the city. At the rally, Kim Ki-son made a speech. Following this, KPA officer Cha Yong-kon, representing the officers and men of the KPA; Yi Yong-cha, representing the members of the Red Worker-Peasant Militia; and Pak Chong-im, whose parents were taken away by the U.S. imperialist aggressors during the fatherland liberation war, made speeches. [passage omitted]

No's 'Group,' 'Imperialists' Warned

SK290437 Pyongyang KCNA in English 0421 GMT
29 Mar 88

[Text] Pyongyang March 29 (KCNA)—If the U.S. imperialists and the No Tae-u group ignite a war despite our warning, our people will retaliate against the aggressors a thousand times, warned working people who spoke at mass rallies held on March 27 in Chongjin City of North Hamgyong Province, Haeju City of South Hwanghae Province, Sohng County of North Hwanghae Province and at the Kumsong general tractor plant in support of the order of the supreme commander of the Korean People's Army.

The speakers expressed full support to the order of the KPA supreme commander, adding that the order is the absolutely just self-defence measure reflecting the unshakable will and revolutionary position of our people to avert the danger of another war and prevent in time the aggressors' reckless play with fire under the extremely strained situation on the Korean peninsula which was caused by the rash military maneuvers of the U.S. imperialists and the South Korean puppet clique.

They denounced the U.S. imperialists and the South Korean puppets for staging the "Team Spirit 88" joint military maneuvers involving over 200,000 regular troops and nearly one million reserve forces in a premeditated effort to unleash another war, a nuclear war in Korea at any cost.

The speakers declared: The U.S. imperialists must look straight at the changed reality of today and act with discretion, and the South Korean military fascist clique must desist from staging nuclear war exercises as war mercenaries of the U.S. imperialists and immediately stop the anti-DPRK smear campaign. If they ignite a war despite our warning, they will be burned to death in the flames kindled by themselves.

Chongnyon Supports Condemnation of Exercise SK261026 *Pyongyang KCNA in English 1016 GMT* 26 Mar 88

[Text] Pyongyang March 26 (KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) in its statement issued March 24 warmly supported the communique of the supreme command of the Korean People's Army and the statement of the Ministry of Foreign Affairs of the Democratic People's Republic of Korea and bitterly denounced the criminal "Team Spirit 88" joint military rehearsal of the U.S. imperialists and their stooges, according to a KNS report from Tokyo.

Noting that the communique of the KPA supreme command and the statement of the DPRK Foreign Ministry are an expression of the resolute stand of the Korean people to firmly defend the fatherland, the people's power and the socialist system with the heightened revolutionary vigilance and combat readiness toward the enemy's war manoeuvres and to decisively wipe out the enemy when it pounces upon them, the statement says:

We strongly demand the aggressive "Team Spirit 88" joint military rehearsal be stopped at once and the U.S. troops get out of South Korea at an early date, taking along nuclear weapons and all the destruction weapons.

We are convinced that the Japanese people and all the peaceloving people of the world will approach with vigilance toward the vicious moves of the U.S. imperialists and the South Korean military fascist clique in abusing the Olympic games for the "two Koreas" plot and war policy and staging the "Team Spirit 88" joint military rehearsal to lead the tense situation on the Korean peninsula to the brink of a war and plunge Asia and the world into a thermonuclear war, and will raise their just voices condemning them.

KPA Communique Distributed as UN Document SK261022 *Pyongyang KCNA in English 1014 GMT* 26 Mar 88

[Text] Pyongyang March 26 (KCNA)—The communique of the supreme command of the Korean People's Army which was published in connection with the fact

that the supreme commander of the KPA ordered all the units of the KPA and the Korean People's Security Forces and the entire members of the Worker-Peasant Red Guard and Red Young Guard to be in full combat readiness to cope with the dangerous situation created in Korea owing to the reckless military provocation manoeuvres of the U.S. imperialists and the South Korean puppet clique was distributed as an official document S-19658 of the U.N. Security Council on March 21.

Foreign Ministry Statement Issued

*SK280505 Pyongyang KCNA in English 0451 GMT
28 Mar 88*

[Text] Pyongyang March 28 (KCNA)—The statement of the Foreign Ministry of the Democratic People's Republic of Korea on March 23 denouncing the U.S. imperialists and the South Korean puppet clique for staging the "Team Spirit 88" joint military maneuvers throughout South Korea against the DPRK was distributed as official document S-19675 of the United Nations Security Council on March 23.

Further on ROK Visit by Japanese Minister

Purpose Viewed as 'Black-Hearted'

*SK240455 Pyongyang KCNA in English 0441 GMT
24 Mar 88*

[Text] Pyongyang March 24 (KCNA)—NODONG SINMUN today comes out with a signed commentary disclosing the black-hearted purpose of Japanese Foreign Minister Uno's travel to South Korea.

In his talks with the South Korean puppets Uno discussed measures to further strengthen the bilateral relations between Japan and South Korea and agreed with them on forming a "21st century committee" and a "security measures council" for the Olympics. He also vowed to play the "role of bridge" for any "Northern diplomacy" of the puppets.

Such facts suggest that Uno this time has put many baits to strengthen the nexus with the new puppets of South Korea who came to power and to angle them with the Japanese militarist reinvasion hook, the commentary says, and goes on:

The "21st century committee" to be instituted in the future is a political structure for indefinitely strengthening domination and infiltration into South Korea under the plausible cloak of "companions."

And the "security measures council" for the Olympics is aimed to support and defend the puppets' brutal fascist crackdowns on the plea of "security for the Olympics" and to cooperate with them.

What is noteworthy is the fact that Uno volunteered to play a certain "role of bridge" for the South Korean puppets. The "role of bridge" means "diplomacy by proxy" for the puppets to create a favorable international environment for "two Koreas."

Uno officially vowed to play such a dastardly, dirty role to encourage the South Korean puppets' separatist moves.

The Japanese foreign minister's visit to South Korea this time was a trip to deepen tieup with the South Korean puppets and thereby strengthen colonial domination over South Korea and fling the door wider open for reinvasion. It was a trip to hatch up plots to obstruct the reunification of Korea, freeze its division and have it legalized on the international scene.

This is an unpardonable challenge to the South Korean people who aspire after independence, democracy and reunification, and one more manifestation of the policy hostile to our Republic.

Uno Said To Oppose U.S. Pullout

*SK280501 Pyongyang KCNA in English 0447 GMT
28 Mar 88*

[Text] Pyongyang March 28 (KCNA)—Japanese Foreign Minister Uno overtly opposed the withdrawal of the U.S. imperialist aggression forces from South Korea at the Japanese Diet on March 25, according to a report.

Uno is a despicable servant of the Japanese militarists who seek to make a profit from the misfortunes and sufferings of the Korean people resulting from the division of the country.

Answering an interpellation of an opposition Dietman concerning the U.S. troop pullout from South Korea, Uno said: "We also think it most desirable for the U.S. troops not to withdraw from South Korea."

This shows once again that the Japanese reactionaries are the accomplice of the U.S. imperialists in the criminal moves to perpetuate the division of Korea.

This also shows that the Japanese reactionaries doggedly oppose the independent reunification of Korea because they want to stage a comeback to Korea without difficulty.

The Korean people who suffered a great deal under the 36 year long colonial rule of Japanese imperialism will never pardon the criminal attempts of the Japanese reactionaries to continue laying hurdles in collusion with the U.S. imperialists in the way of the independent and peaceful reunification of Korea.

The Japanese reactionaries must realize that they will pay for their rash acts against the reunification of Korea.

No Seen as Consulting With 'Master'

SK260423 Pyongyang KCNA in English 0415 GMT
26 Mar 88

[Text] Pyongyang March 26 (KCNA)—Japanese Foreign Minister Uno flew into South Korea for the so-called "regular consultation between the foreign ministers" of South Korea and Japan, met on March 21 with the traitor No Tae-u and said that the traitor's "moderate personality" was widely known to Japan, according to a report.

Uno's remarks suggest that he represents the Japanese reactionaries' wrong way of thinking or has another shady design.

Clear is the reason why Uno whitewashed the boss of the puppets, hooligan and fascist tyrant without an equal, as a "possessor of moderate personality".

The Japanese reactionaries are trying to retake their old position in South Korea, guided by the traitor No Tae-u and, furthermore, realise the old dream of "Greater East Asia Coprosperity Sphere".

Very grateful for the praise by the Japanese master, the traitor No Tae-u said that he would "promote" "friendship" and "peace" in Northeast Asia with Japan and South Korea as "model companions". His utterance is nothing but a pledge to serve as a faithful stooge obedient to the instructions of the masters.

No's 'Corruption' Said To 'Outshine' Chon's

SK261019 Pyongyang KCNA in English 1008 GMT
26 Mar 88

["Kingpin of Corruption"—KCNA headline]

[Text] Pyongyang March 26 (KCNA)—The traitor No Tae-u, coupled with the traitor Chon Tu-hwan, is a kingpin of corruption.

Once as an officer-interpreter of a "military intelligence unit," he sold out a colossal amount of munitions in cahoots with U.S. Army officers, and as a battalion commander of the "Maengho Unit" on the battle field of the U.S. imperialists' war of aggression on Vietnam, he plundered a lot of wealth. His corruption after he became "representative member of the Democratic Justice Party" in February 1985, let alone the aforesaid scandals, outshines the traitor Chon Tu-hwan's.

Typical is the Pomyang merchant fleet scandal in 1987.

At that time, the traitor No Tae-u got an information that the director of this company was stashing away the company fund in foreign banks, in league with the traitor Chon Tu-hwan. Threatening to expose the scandal if profits were not shared out to him, the traitor No deposited in his account in New York bank hundreds of thousands of dollars out of the money already placed on

deposit abroad by the company director. Last year he pocketed 2,000 billion won by causing securities fluctuation through the offices of the "Ilhae Foundation," a private plot-breeding organization of the traitor Chon Tu-hwan.

Besides, he has hoarded a colossal amount of money in conspiracy with the traitor Chon, with which he has bought several tourist hotels and farms in Seoul, Pusan, Taegu and Cheju Island and real estate in the United States.

In September last year, when he went to the United States, he saw a luxuriant apartment house with 200 odd rooms under reconstruction in New York, bought by the traitor Chon, and directed a Korean in the United States, his associate, to buy a better luxuriant apartment house with no worry about dollars.

This is an open revelation of his insidious intention to expand swindles during his "office".

Although the traitor No is making quite a noise as if he would divulge the "scandal of the New Village Movement Headquarters," with a voluble talk about "clean politics," it is nothing but an artifice to deceive the people.

The kingpin of corruption cannot uproot corruption just as robbers cannot catch robbers.

Role Alleged in Saemaul Affair

SK281518 Pyongyang KCNA in English 1506 GMT
28 Mar 88

[Text] Pyongyang March 28 (KCNA)—The South Korean puppet government and the "Democratic Justice Party" group held a "political affairs meeting of the party" on March 25 to discuss the "influence" of the scandal of the "Headquarters of the New Village Movement" on the "general political situation," according to a report.

At the meeting, they worked out "measures" to fend off the offensive expected to be directed against them in connection with the scandal.

The traitors Chon Tu-hwan and No Tae-u invented these "measures" to evade the responsibility for the scandal which was masterminded by them and involved "DJP" hooligans, and to win over public sentiments and boss the field in the upcoming "National Assembly elections."

Talking about "respect" for prosecution's investigation, the puppet government and the "DJP" group are trying to make believe that there was no relation between the "DJP" and the "New Village Movement Headquarters." However, that can convince no one.

Challenging public demand that those who headed the list in illicit fortune-piling in collusion with Chon Kyong-hwan be excluded from "National Assembly candidacy," they declared they had no intention to do so. This reveals that they are accomplice in the "New Village Movement Headquarters" scandal.

The No Tae-u fascist clique cannot bury the scandal into obscurity nor evade the responsibility.

No Charged With 'Suppressing' Workers

*SK281016 Pyongyang KCNA in English 1007 GMT
28 Mar 88*

[Text] Pyongyang March 28 (KCNA)—The traitor No Tae-u on March 24 summoned the "labor minister" to "Chongwadae" and told him to invoke fascist laws against "collective actions" of workers for vital rights and democratic liberties, according to a report.

Having received this repressive order, the puppet labor minister threatened at a round-table interview sponsored by the "General Association of Businessmen," an organization of comprador capitalists, on March 25 that if a "third party intervene" in the struggle of workers or if their struggle develops into a demonstration, it would be considered "illegal" and a "strong measure" would be taken.

This means a declaration that the puppet clique would zealously patronize the comprador capitalists and back their exploitation with fascist power.

This reveals that although the No Tae-u fascist group advertizes "equal distribution" and "improvement of living standard," it is a lie and that it is only interested in suppressing the urgent vital demand of the workers with the bayonet and fattening the comprador capitalists.

South Opposition's Calls for Unification Viewed

*SK241549 Pyongyang KCNA in English 1500 GMT
24 Mar 88*

[Text] Pyongyang March 24 (KCNA)—If the nation is to be reunified, popular democracy must be guaranteed to allow the people to participate as the holder of power in the fulfilment of the task for establishing an independent democratic government which would reject outside forces and achieve reunification, said a Yi, deputy spokesman of the federation of the People's Movement for Democracy and Unification in South Korea.

In his article contributed to TAEHAK SINMUN, the students' newspaper of Seoul University, he said the "unification theory" brought forward by successive puppet rulers was not worth argument, being an anti-unification doctrine aimed at "prolonging the structure of division".

If reunification is to be realized, he reasoned, South Korea should "do away with its reptile and subordinate structure of economy" with the United States and Japan and "attain political and military independence." To this end, people must be freed from "the military dictatorial group dependent on foreign forces, which lords it over on the people's heads" and from the oppression and extortion by monopolies.

An independent democratic government must be established in South Korea for the realisation of reunification, he stressed.

Provincial Committees Hold Plenary Meetings

*SK280515 Pyongyang KCNA in English 0500 GMT
28 Mar 88*

[Text] Pyongyang March 28 (KCNA)—The provincial (municipal) committees of the Workers' Party of Korea recently held plenary meetings.

The meetings discussed "on thoroughly implementing the 'letter to the entire party members' and the 'calls of the Central Committee of the Workers' Party of Korea on the 40th anniversary of the founding of the Democratic People's Republic of Korea'."

Reports and speeches were delivered at the meetings.

The meetings noted in unison that the letter and calls of the party Central Committee prove the tested leadership of the party centre which lays down revolutionary fighting policies in keeping with the demand of the revolutionary development and the desire of the people and skilfully mobilizes the whole party and the entire people in the drive to carry them into practice.

The meetings discussed concrete tasks and measures to bring about a great upswing in all sectors of socialist construction through a vigorous 200-Day Campaign in hearty response to the letter and calls of the party Central Committee and celebrate the 40th anniversary of the DPRK founding as a grand festival of victors.

So Yun-sok Leads Provincial Delegation to PRC

*SK231105 Pyongyang KCNA in English 1055 GMT
23 Mar 88*

[Text] Pyongyang March 23 (KCNA)—A delegation of the South Pyongan Provincial Committee of the Workers' Party of Korea headed by Comrade So Yun-Sok, member of the Political Bureau of the Central Committee of the WPK and chief secretary of the South Pyongan provincial party committee, left here today by plane for a visit to China.

It was seen off at the airport by Hwang Chang-yop, secretary of the Central Committee of the WPK, Kim Ui-son, chairman of the South Pyongan Provincial Administration and Economic Guidance Committee, and Wen Yezhan, Chinese ambassador to Korea.

200-Day Campaign Achievements Reported
*SK260046 Pyongyang KCNA in English 2152 GMT
25 Mar 88*

[Text] Pyongyang March 25 (KCNA)—Working people across the country have registered remarkable achievements in the first month of the 200-day campaign in hearty response to the letter and calls of the Central Committee of the Workers' Party of Korea.

According to data available at the Construction and Building-Materials Industry Commission, in the construction of the Sunchon vinylon complex, the speed of assembling equipment has grown to 206.5 percent, concrete tamping to 151.3 percent and earthwork to 144 percent as against the pre-campaign month.

In the period, one carbide kiln was built and began production and a large compounding tower rose up.

The monthly assignments of the 200-day campaign were fulfilled at the construction sites of the Kwangbok Street and major objects in Pyongyang.

During the month a vast amount of projects were carried out at the construction site of the capital, which include above 100,000 cubic metres of concrete tamping and pre-fab assembling, more than 40,000 cubic metres of brick laying, over 90,000 square metres of plastering, building of more than 20,000 metres of underground facilities, assembling of a great many apartment houses. At the constructive site of the Sariwon potassic fertilizer complex, constructive assembling in terms of value increased 30 percent, assembling of steel structures 30 per cent, and concrete tamping and earth digging respectively 20 percent as compared with that in the pre-campaign month. Notable successes were reported from coal and metal industries.

The coal output of the coal mines under the Mining Industrial Commission shot up 14 percent and pig iron output at the iron and steel works 11 percent above the results in the same period last year.

Workers of railway transport carried 1,675,800 tons more freight than the fixed haulage capacity.

Enormous successes were made in other domains of the national economy including power, machine building, chemical and light industries in the first month.

Kim Chong-il Work on Party Leadership Published

*SK281032 Pyongyang KCNA in English 1010 GMT
28 Mar 88*

[Text] Pyongyang March 28 (KCNA)—The Foreign Languages Press Group recently published dear Comrade Kim Chong-il's work "On Thoroughly Establishing the System of Party Leadership" in Russian, Chinese, Japanese, English, French, Spanish, Arabic and German.

In this speech he made at a consultative meeting of senior officials of the Organizational Leadership Department and the Propaganda and Agitation Department of the Central Committee of the Workers' Party of Korea on April 28, 1979, Comrade Kim Chong-il explained the essence and necessity, tasks and ways of establishing the system of party leadership.

The establishment of the system of party leadership is the fundamental principle of building a working-class party and the key to achieving success in the revolution and construction, he said, adding: It is only when this system is fully established that the party can carry out its mission as the general staff of the revolution and organize the broad masses to wage the revolutionary struggle and do the work of construction effectively.

He continued: Establishing the system of party leadership means setting up throughout the party an iron discipline as well as a revolutionary habit of implementing party decisions and instructions to the letter and without reservation. It means encouraging party members to have a better appreciation of the party organization and to strengthen their party life. By these means the party's leadership over the revolution and construction can be firmly guaranteed.

He outlined the tasks and ways of thoroughly establishing the system of party leadership including the establishment of a revolutionary discipline in the party and the enhancement of the militant function and role of party organizations. He stressed that all party organizations and party officials must constantly oversee this responsible work which is of vital importance for ensuring the party's leadership over the revolution and construction.

Daily Marks Wangqing Meeting Anniversary
*SK290408 Pyongyang Domestic Service in Korean
2113 GMT 26 Mar 88*

[NODONG SINMUN 27 March special article: "The Historic Meeting Shining in the History of the Korean Communist Youth Movement"]

[Text] Our people and youths are marking in a significant manner the 55th anniversary of the meeting of the functionaries of the Young Communist League (YCL) held in Wangqing under the guidance of the great leader Comrade Kim Il-song, under circumstances in which they are vigorously carrying out the 200-day campaign to make the 40th anniversary of the founding of the Republic shine as a grand festival of victors, thus upholding the letter and slogans of the party Central Committee to all party members.

The Korean communist revolution, which was being expanded and developed as a whole around the anti-Japanese armed struggle in the early thirties, urgently demanded that the work of the YCL be improved and enhanced. It demanded that as guerrilla bases were

established and the military and political activities of the guerrilla corps were further strengthened, revolutionary forces would be further strengthened by ideologically awakening a wide range of anti-Japanese masses—particularly hot-blooded youths—and by organizationally rallying them.

However, a leftist and rightist tendency appeared in the work of the YCL, due to factional flunkeyists who infiltrated the revolutionary ranks. Also, the working methods and style of YCL functionaries had not complied with the demands of the developing revolution.

In concretely grasping the demands of the developing Korean revolution and the status of activities of YCL organizations, the great leader Comrade Kim Il-song convened a meeting of YCL functionaries in Wangqing 25-27 March in 1933 to overcome defects in the work of the YCL, and to effect a new turn.

At the meeting, the great leader Comrade Kim Il-song delivered a historic speech on several tasks to improve and strengthen the work of the YCL.

In his speech, the great leader Comrade Kim Il-song especially stressed the question of expanding and enhancing YCL organizations.

The great leader Comrade Kim Il-song taught: Expanding and strengthening YCL organizations is presently the most important task confronting YCL organizations.

He warned against the tendency of leftist closed-door policies of refusing to accept qualified youths as YCL members by demanding too high a level of criteria. He also warned against the unprincipled rightist deviation of attempting to recruit unvouched for and unqualified youths in expanding and consolidating YCL organizations. He also stressed that young workers, peasant youths, and progressive young students should be actively initiated into their ranks, and that impure and chance elements should not be allowed to infiltrate the ranks.

Saying that every level of YCL organizations should direct the main efforts of ideological indoctrination work at inciting the anti-Japanese consciousness of patriotism and class consciousness among youths, the great leader Comrade Kim Il-song noted that ideological indoctrination designed to strengthen education in patriotism and in revolutionary optimism, and at increasing militant solidarity with Chinese youths, should be vigorously conducted in diverse forms and ways, to suit the characteristics of youths and the level of their preparations, in close combination with revolutionary practice.

The great leader Comrade Kim Il-song also emphasized that YCL organizations should responsibly guide the work of the children's corps and the children's vanguard to bring up children to be reliable reserves of the YCL and the party, and successors to the Korean revolution.

Saying that the work methods and style of YCL functionaries should be improved decisively, the great leader noted that YCL functionaries should explain matters be persuasive in organizing a broad range of the masses to carry out revolutionary tasks. He also noted they should always be modest and simple, learn humbly from the masses, and live frugally.

The historic speech of the great leader Comrade Kim Il-song at the meeting of YCL functionaries was an action program and a guideline of struggle directing the YCL organizations and members to firmly and constantly adhere to strengthening and developing the Korean communist youth movement, under the revolutionary banner of the *chuche* idea.

The meeting of YCL functionaries held under the guidance of the great leader was of great significance in developing the Korean communist youth movement, as well as the overall Korean communist movement, which centers around the anti-Japanese armed struggle.

Its historic significance especially lay in opening an opportunity for an epochal turn in rapidly strengthening and developing our country's communist youth movement according to *chuche*-oriented lines and policies, and in powerfully accelerating the work of imbuing the ranks of youths with the *chuche* idea.

The setting forth of *chuche*-oriented lines and policies concerning the youth movement and their thorough implementation arose as a very acute problem, as to whether the Korean communist youth movement was able to steadily develop by at that time removing obstacles to our country's youth movement.

During this historical period, the great leader Comrade Kim Il-song convened the meeting of YCL functionaries. He then gave comprehensive answers to all problems of principles concerning the youth movement, including the problem of expanding and strengthening the YCL organizations in conformity with the demands of the developing revolution, and the problem of ideological indoctrination work. As a result, all leftist and rightist tendencies were thoroughly overcome in the Korean communist movement, and the organizational and ideological basis of the YCL was more firmly consolidated.

The meeting of YCL functionaries helped the YCL functionaries and members to deeply cherish the national pride and confidence of carrying out the revolution while upholding the great leader Comrade Kim Il-song as the revolutionary faith and will. The YCL functionaries and members were able to deal a decisive blow to factional flunkeyists and leftist and rightist opportunists by thoroughly implementing the *chuche*-oriented lines and policies concerning the youth movement. They did this while upholding the great leader with loyalty, and they were able to powerfully accelerate

the work of imbuing the ranks with the *chuche* idea by thoroughly establishing the system of the leader's unitary leadership of the work of youths.

Another example of the historic significance of the meeting of YCL functionaries lay in its making it possible to expand and develop the overall Korean Communist movement centered around the anti-Japanese armed struggle, and to further expedite the historic cause of liberating the fatherland.

At that time, the Japanese imperialists made every desperate effort to obliterate the anti-Japanese armed struggle while it was still in the cradle. They mobilized vast armed forces of aggression around guerrilla bases near the Tuman River, and viciously carried out an economic blockade against guerrilla bases, as well as military offensives.

To surmount these obstacles to the revolution and to expand and develop the overall Korean revolution that centered around the anti-Japanese armed struggle, a wide range of youths had to be rallied in organizations, revolutionized, and actively inspired for the anti-Japanese armed struggle. This problem was brilliantly solved by the great leader Comrade Kim Il-song, who suggested a clear way to initiate a wide range of youths into YCL organizations, and to nurture them into *chuche*-oriented communist vanguard fighters through an organizational and ideological life. The overall Korean revolution that centered around the anti-Japanese armed struggle was thus constantly strengthened and developed by a new generation of fresh and vigorous communist youths who had been disciplined amid struggle, and the historic cause of the liberation of the fatherland was expedited.

Another historic significance of the meeting of YCL functionaries lay in making immortal contributions to developing the revolutionary theory concerning the youth movement of the working class.

The historic speech that great leader Comrade Kim Il-song delivered at the meeting provided scientific answers to all problems arising in the work of youths. These included problems of principle in building YCL organizations, the problem of educating youths, the problem of the idea concerning the alliance of the three generations—the party, the YCL, and the children's corps—and the problem of revolutionary work methods and attitudes. These answers thus made immortal contributions to developing the revolutionary theory concerning the building and activities of the revolutionary organizations of the working class.

The shining tradition of the communist youth movement, which the great leader Comrade Kim Il-song achieved during the period of the anti-Japanese armed struggle, is being enriched and developed by our glorious party, in keeping with the demands of developing realities.

Dear Comrade Kim Chong-il has comprehensively elucidated the nature and mission of youth organizations, and the principle concerning their construction. He has also newly clarified important tasks arising in the work of the LSWYK and ways to carry these out.

Under the wise leadership of the great leader and our party, the LSWYK has been further strengthened and developed into a school for the political education of the masses, which nurture successors to the *chuche* revolutionary cause, and into a militant organization that takes charge of difficult and arduous fields on all fronts of socialist construction and carries out its work in an excellent manner. The LSWYK functionaries and youths should become the creators of exploits in carrying out the tasks of the 200-day campaign by always maintaining an alert and mobilized posture, and by embodying the revolutionary outlook of the leader and the invincible fighting spirit that the young communists cherished under the wise leadership of our party during the period of the anti-Japanese revolutionary struggle.

Correction to Central Committee Meeting Report

Pyongyang NODONG SINMUN in Korean on 12 March on pages 1 and 2 carries the "report" on the 13th plenary session of the 6th WPK Central Committee held from 7 to 11 March.

The NODONG SINMUN version has been compared to the Pyongyang Domestic Service version published on pages 8 to 17 in the North Korea section of the 14 March East Asia DAILY REPORT, revealing the following variations: Page 16, column two, last paragraph, second sentence reads in NODONG SINMUN: "...Choe Man-hyon, Chang Chol, Kang Kwan-chu, Kim Kyong-pong, Sin Sang-kyun...(changing Kang Kwang-chu to read "Kang Kwan-chu") Same sentence reads in NODONG SINMUN: Yi Chong-yul, and Pyon Yong-rip, alternate members of..." (changing Pyon Hyong-yun to read "Pyon Yong-rip") Page 17, column one, first paragraph, only sentence reads in NODONG SINMUN: "...Kim Tal-hyon and Yun Sung-kwan were elected as..." (changing Yun Sung-kwon to read "Yun Sung-kawn") Page 17, column one, second paragraph, only sentence reads in NODONG SINMUN: "...Comrades Yun Chi-ho, Won Ung-hui, Kang Tong-yun, Han In-sul, Yim Tong-ok, Choe Hui-pyok, Chong Song-taek..." (changing Won Hung-hui to read "Won Ung-hui" and Yim Tong-uk to read "Yim Tong-ok") Same sentence reads in NODONG SINMUN: "...Hwang Sok-kyu, Kim Tong-won, Han Tuk-su, Choe Pyong-ho, Kim Pyong-pal..." (changing Han Tok-su to read "Han Tuk-su")

South Korea

Kim Yong-sam Agrees To Run in Pusan, Campaign
SK280730 Seoul YONHAP in English 0723 GMT
28 Mar 88

[Text] Seoul, March 28 (YONHAP)—Opposition leader Kim Yong-sam said Monday that he will run for a

National Assembly seat in the southern city of Pusan, his political stronghold, when parliamentary elections are held next month.

In a news conference held at his home, Kim, former president of the main opposition Reunification Democratic Party (RDP), said he has decided to accept the party's demand that he run for an Assembly seat to boost the morale of the RDP election campaigners. The general elections are slated for April 26.

Kim resigned as RDP president in February, calling for a unified opposition. Kim and rival opposition leader Kim Tae-Chung, who both ran in the presidential election last year after failing to agree to a single opposition candidate, came under pressure to step down from their leadership posts after No Tae-u defeated the divided opposition in the Dec. 16 balloting.

Monthlong merger talks between the RDP and the Party for Peace and Democracy (PPD), which Kim Tae-chung led until mid-March, collapsed earlier this month due to sharp differences over power sharing and leadership positions.

Kim Yong-sam, in a call for public support of the RDP, said he will tour the nation as an ordinary party member in support of other RDP candidates.

U.S. Requests GATT Panel on Beef Imports

SK250301 Seoul THE KOREA TIMES in English
25 Mar 88 p 3

[Text] The U.S. government has requested the formation of a panel in the GATT Executive Council to deal with the opening of Korean markets for the import of U.S. beef at council meeting held in Geneva, Foreign Ministry officials said yesterday.

As to the U.S. request, the Seoul side contended that Korea's restrictive measure on the sale of U.S. beef was a legitimate step taken in accordance with the GATT regulations.

The Seoul side suggested that the issue concerning the formation of the panel be discussed again in the next GATT session after sufficient consultation between the relevant countries.

Meanwhile, debate on the sale to Korea of Australian beef was also introduced during the Geneva session.

U.S. Initiates 'Section 301'

SK260243 Seoul THE KOREA TIMES in English
26 Mar 88 p 6

[Text] The U.S. Trade Representative has decided to investigate the alleged unfair trade practices of Korea over the issue of beef imports in accordance with Section 301 of the U.S. Trade Act.

The U.S. position came after Korea and the United States failed to reach an accord over the opening of the Korean beef market in negotiations mediated by the General Agreement on Tariffs and Trade (GATT).

U.S. cattle raisers lodged a petition with the U.S. Trade Representative against the Korean government's ban on beef imports in accordance with Section 301 of the U.S. Trade Act.

They demanded that the Korean government should liberalize imports of high quality beef for use at tourist hotels as well as general beef.

However, the Korean government assured the U.S. side that it would only liberalize imports of high quality beef sometime after the upcoming general elections slated for April 26 to protect the interests of domestic cattle raisers.

As Korea and the United States diverged over beef imports, the GATT intervened to help the two sides settle the issue peacefully.

The GATT, the powerful international watchdog on global trade and tariff systems, recently failed to bring the two sides to a compromise over the issue but decided to deal with the issue again in a meeting scheduled for May 8.

If the U.S. Trade Representative rules that the Korean government has resorted to unfair trade practices in connection with beef imports as protested by its cattle raisers, it will invoke Section 301 of the U.S. Trade Act against imports of Korean products, the worst trade retaliation against Korea.

The investigation by the U.S. Trade Representative of the alleged unfair trade practices of Korea will be the second of its kind following the one over the wider opening of the Korean cigarette market.

Since the start of this year, the U.S. government has threatened on many occasions to invoke Section 301 of the U.S. Trade Act against imports of Korean products unless the Korean government liberalizes imports of beef and opens wider the insurance and cigarette markets.

Pressed hard by the United States, the government has already assured Washington that in addition to liberalization of imports of high quality beef, U.S. life insurance companies would be allowed to establish joint life underwriters in Korea with Korean business conglomerates ranked below 15th from the top and the prices of imported foreign cigarettes would be lowered from the present average of 1,300 won per pack to the 700 won level during the second half of the year.

U.S. Act Termed 'Unwarranted'

SK290930 Seoul YONHAP in English 0920 GMT
29 Mar 88

[Text] Seoul, march 29 (YONHAP)—The South Korean Government Tuesday expressed regret over the U.S. Government's decision to initiate a Section 301 of U.S. Trade Act investigation into Korea's beef import practices and insisted that the complete removal of all restrictions on beef imports is unacceptable to the Korean Government.

Accepting the petition by the American Meat Institute, the U.S. Trade Representative's Office announced its decision Monday to invoke Section 301 and investigate the Korean beef market.

Calling the U.S. decision unwarranted, a Foreign Ministry statement said: The Government of Korea expresses its regret with the decision made by the U.S. Government while bilateral consultations initiated at the request of the United States under Article 23 of the GATT are still underway between the two governments.

The Korean Government is also concerned over the adverse impact such a premature decision of the U.S. Government may cause on the ongoing bilateral talks as well as on Korea's continued efforts for a gradual opening of her domestic beef market, the statement said.

Korean and U.S. negotiators held talks in Geneva last week but failed to reach an agreement on the controversial opening of the Korean beef market.

The United States, which originally demanded the resumption of high-quality beef imports for use at tourist hotels and other tourist facilities, requested during the Geneva talks a full opening of the Korean beef market while Korea proposed that it resume imports of high-quality U.S. beef for hotel restaurants after the parliamentary elections to be held in late April.

The ministry statement said that a complete removal of all existing restrictions on beef imports is unacceptable to the Korean Government in view of the current situation facing Korea's overall economy and the nation's domestic cattle industry in particular.

The statement further said that Korea's beef import restrictions are justified under Article 18 of the GATT and that similar restrictions on beef imports are imposed even by developed countries such as Japan and European Community (EC) member countries on grounds of their domestic economic situations.

Noting that agricultural trade is one of the major subjects of the ongoing Uruguay round of multilateral trade negotiations, the statement charged that Washington's decision to initiate a Section 301 investigation against the beef import regime of a developing country is viewed as unwarranted.

The statement noted that during the Uruguay round, proposals that would grant special and favorable treatment to developing countries under the emerging system of agricultural trade are being tabled.

Prosecution Subpoenas Chon Kyong-hwan

SK290507 Seoul YONHAP in English 0455 GMT
29 Mar 88

[Text] Seoul, March 29 (YONHAP)—The younger brother of former South Korean President Chon Tu-hwan was subpoenaed to appear before the prosecution Tuesday morning in connection with his alleged involvement in a scandal involving millions of dollars.

The prosecution is expected to place Chon Kyong-hwan, former chairman of the Saemaul (New Community) Movement Headquarters, under formal arrest late Tuesday or Wednesday as a nine-day investigation has found evidence of Chon's embezzlement of about six billion won (8 million U.S. dollars one dollar is worth about 750 won) in Saemaul funds and other public funds.

The prosecution contacted the younger Chon Monday evening by telephone requesting that he report to the prosecution for questioning.

Chon arrived at the Supreme Public Prosecutor's Office in a black automobile at 10 a.m. and faced questioning by reporters for about five minutes.

Chon Kyong-hwan became the Saemaul Headquarters' secretary-general in 1981 after his brother became Korea's president and converted the Saemaul organization into a private movement.

The younger Chon was promoted to chairman of the headquarters in 1985 and resigned his position last year.

Prosecutor Expects Probe To Conclude by April

SK260155 Seoul THE KOREA TIMES in English
26 Mar 88 p 1

[Text] Prosecutor General Yi Chong-nam said yesterday that the investigation into alleged corruption surrounding Saemaul Headquarters and its former chairman Chon Kyong-hwan will be wrapped up by the end of this month.

For this purpose, Chon Kyong-hwan will be summoned by the prosecution for questioning early next week, Yi revealed.

The chief prosecutor of the country also said the probe has so far failed to uncover substantial evidence pointing at Cho's peddling influence for profit-making or for his acquaintances.

However, it has been confirmed that 4.2 billion won of donation to the Saemaul fund has been diverted into the development of Yongjongdo, and two or three bank accounts which were opened in the name of his close aide, have been discovered.

Prime Minister Vows 'Strict' Inquiry

SK260233 Seoul THE KOREA HERALD in English
26 Mar 88 p 1

[Text] Prime Minister Yi Hyon-chae yesterday said investigation of the scandal involving Chon Kyong-hwan, younger brother of former President Chon Tu-hwan, will be conducted thoroughly based on the Sixth Republic's policy of pursuing an "honest government."

"The government will eradicate possible irregularities committed during the Fifth Republic in accordance with the people's aspirations," said Yi, while discussing the scandal with reporters at his office.

He said the investigation will be handled in a "strict but impartial manner."

Asked about the possible arrest of Chon, former head of the Saemaul Undong (New Community Movement) Headquarters, the premier simply said, "It depends on the results of the investigation" by the prosecution.

"If Chon violated the law, he will be dealt with in accordance with the principle of legality," said Yi who was formally a professor at Seoul National University.

Noting that the nation has achieved economic growth, Yi said the Saemaul Movement should be converted into a spiritual movement for the people.

DJP Urges 'Thorough' Probe

SK260205 Seoul THE KOREA HERALD in English
26 Mar 88 pp 2, 3

[Text] The ruling Democratic Justice Party yesterday demanded a thorough probe into criminal acts allegedly perpetrated by Chon Kyong-hwan, former head of the Saemaul Undong Headquarters, a DJP official said.

In consultations with the government on Saemaul corruption, the official said, the party demanded the prosecution investigate the Saemaul case thoroughly so that the people will have no doubts about the outcome.

DJP Secretary-General Sim Myong-po, who participated in the consultations, said the party did not make any other demands for fear of interfering with the on-going investigation.

The prosecution, he said, promised to conduct an independent investigation.

Sim denounced the opposition Reunification Democratic Party for asserting that about 30 of the DJP parliamentary candidates were involved in Saemaul corruption.

"It is wrong to argue a person was linked to Chon's irregularities just because he headed an office involved in Saemaul projects," Sim said.

The party, he said, does not need to replace some candidates in connection with the Saemaul case.

RDP Calls for Chon Kyong-hwan's Arrest

SK260209 Seoul THE KOREA HERALD in English
26 Mar 88 p 2

[Text] The opposition Reunification Democratic Party yesterday demanded the arrest of Chon Kyong-hwan in connection with the scandal at his Saemaul Headquarters.

The RDP also called for an immediate convocation of a special National Assembly session to deal with the irregularities involving Chon, younger brother of former President Chon Tu-hwan.

In a statement released after a plenum of party lawmakers, the opposition party also called for reinvestigations of other irregularities committed during the Fifth Republic, including those involving the foundation and the so-called Chang Yong-cha incident. "The irregularities of the Saemaul Headquarters reached their peak during the period when President No Tae-u served as minister of home affairs and chairman of the Seoul Olympic Organizing Committee [SLOOC]," the RDP statement said.

The RDP demanded all the facts be disclosed about how much the Home Ministry and SLOOC aided and abetted the Saemaul irregularities.

Former Saemaul Chief Recommended as New Head

SK240239 Seoul THE KOREA TIMES in English
24 Mar 88 p 3

[Text] Former chairman of Saemaul headquarters, Kim Chon, was recommended as the chairman of the body by the leaders of its branches Tuesday.

In a meeting of the 16 chairmen of the branch offices Tuesday, they said former chairman Kim is the most suitable man to lead the ravaged organization out of its current crisis.

All ranking officials of the organization have tendered resignation in the wake of spate of revelations of irregularities allegedly committed by the Saemaul organization.

Chon Kyong-hwan, main target of public criticism regarding the Saemaul irregularities, took over the chairmanship from Kim in 1985.

Till then, Chon was secretary-general under the chairman but wielded his power beyond his position and infringing the rights of the head of the organization.

Study on Overhauling Saemaul Under Way
SK240235 Seoul THE KOREA TIMES in English
24 Mar 88 p 3

[Text] A study is being conducted for an overhaul of the organization of the Saemaul Headquarters to have it engage in only the training of Saemaul workers.

Sources said the organization will be under the direct control of the Prime Minister's office and will enjoy a reduced scale.

The sources said its function as a decision-making body will virtually disappear and it will stick just to training.

According to the sources, the Saemaul movement has played an important role in the past especially in restricting farmers from the yoke of perennial poverty.

Now, much has been changed in the mode of life both in rural and urban areas, making a reform of the new community movement imperative.

In connection with the planned change of the Saemaul movement, a study is being made to revise the current law supporting the movement and its organization.

The government is planning to restrict government subsidies as much as possible, leaving it to operate on contribution from the people.

Further Reportage on DPRK 'Defectors'

People's 'Suspensions' Noted
SK290349 Seoul THE KOREA TIMES in English
29 Mar 88 p 3

[Text] People in the street reportedly harbor a few suspicions about the two North Koreans who said they had defected from the north by crossing the Tumen River into Manchuria about six months ago to seek "freedom in the other half of the divided fatherland."

Some citizens expressed doubt wondering how people could possibly believe the two made the long and hard journey through mainland China.

They pointed out that they could not find any thing to show they were from North Korea from their appearance as seen on the television screen.

"They are different from past North Korean defectors," some people said.

They said they could not read from the actions of the two defectors Kim Chang-hwa and O Song-il, both aged 31, any tincture of fretfulness or sense of worry about their uncertain future.

It was also reported that Kim and O had not shown any particular change in their state of mind or their attitudes in the airplane even when they heard they would reach Seoul pretty soon.

Some citizens seem to feel their conflicting accounts in interviews in Manila and Seoul are suspicious.

The two defectors had reportedly said in Manila that North Koreans could wear long hair. But they told the reporters at Kimpo Airport that people were not allowed to sport long hair.

Kim and O said that they had made it to Manila through great hardship, recalling that they had skipped meals for many days and had slept rough.

However, people said that the two defectors did not look like persons who had made such an unbearable and terrible journey.

Except for their somewhat sun-tanned faces and their long hair, they seem to enjoy good health and their hands look smooth unlike people who have toughed it out.

The two men arouse suspicion among the people by using the word "kukmin" instead of "inmin," the jargon North Koreans usually use for people.

They also reportedly bear tattoos on their hands and necks, a practice unacceptable in North Korea.

'Inexplicable' Points Questioned
SK290255 Seoul THE KOREA HERALD in English
29 Mar 88 p 3

[Text] The two north Koreans who allegedly defected to south Korea via mainland China are being questioned about the "inexplicable" elements surrounding their defection, a source at the investigation authorities said yesterday.

Speaking on condition of anonymity, he said the questioning focused on the motives behind their defection and the route they traveled to flee from their Communist homeland.

He noted that the pair, Kim Chang-hwa and O Song-il, used the word "Namhan" to mean south Korea instead of "Namchoson" during the Saturday news conference at Kimpo International Airport, which was held upon their arrival from the Philippines.

Both "Namhan" and "Namchoson" mean south Korea, but the former is mainly used in the south and the latter in the north.

In the news conference, Kim and O said they escaped from north Korea last October and had since traveled down mainland China to reach a port city, where they secretly boarded a freighter bound for Manila.

The source said the investigators are suspicious as the north Koreans were in good shape despite their five-month-long odyssey to escape to the south and showed relatively refined manners during the news conference, contrary to ordinary north Korean defectors.

Flatly denying the widespread speculation that their defection might have been faked, he did not rule out the possibility that the pair are from a Korean community in China and disguised as north Koreans.

Citizen Says O Song-il Half-Brother

SK290259 Seoul THE KOREA HERALD in English
29 Mar 88 p 3

[Text] Sokcho, Kangwon-do—A resident here claimed yesterday that one of the two north Korean defectors who recently arrived in Seoul from Manila must be his half brother.

O Myong-su, 45, a laborer residing in Kumho-dong in this East Coast port city, told reporters that O Song-il, 31, one of the north Korean pair who recently defected to the south via mainland China and the Philippines, is certain to be his younger brother by a different mother.

He said that O Ha-son, who is reportedly the father of the north Korean defector, was his father forcibly taken to the north at the initial stage of the Korean War in 1950.

At that time, he said, there were four members in his family— father, mother, a younger sister and himself—and his father worked for the communications ministry in Seoul.

'Defectors' Could Receive Benefits

SK290305 Seoul THE KOREA HERALD in English
29 Mar 88 pp 3, 6

[Text] The North Korean defectors who arrived in Seoul last Saturday are supposed to be paid compensation money by the government under the law governing compensation for defectors.

Article 2 of the law defines "the defectors to the South" as North Korean military service members and civilians who escape to the South and espionage agents who voluntarily surrender to South Korean authorities.

Defectors' personal security is guaranteed under the law from the day of their defection. They also get a variety of benefits offered by the government.

The Patriots and Veterans Affairs Agency establishes their permanent addresses as South Korea and files an application for a family register with the Seoul Family Court.

The family court screens the validity of the establishment of their family register, and the municipal government keeps the register after being notified of court approval.

Defectors are classified into five categories according to their previous status and the quantity of information they provide to South Korea.

Under the law, those in the first-class category receive 14.5 kg of gold or a corresponding amount of cash, and those in the second-class category 8.7 kg of gold or a corresponding amount of cash.

If Kim Chang-hwa and O Song-il who reached Seoul Saturday are listed as fifth-class defectors, each of them will be paid some 28.6 million won in compensation, a sum equivalent to 1.5 kg of gold.

In addition, the North Korean defectors will each be provided with a house whose floor space is 49.5 sq. meters or more.

The law also states that defectors be employed as civil servants if they want, with the same rank they had in North Korea, or are provided with jobs.

No Seeks Cooperation With North After Olympics

SK250257 Seoul THE KOREA HERALD in English
25 Mar 88 p 2

[Text] President No Tae-u yesterday said an era of exchanges and cooperation with north Korea will follow the Seoul Summer Olympics.

Hostile confrontation between south and north Korea will recede when the Olympics are successfully staged. No told members of the Advisory Council on Democratic and Peaceful Unification.

No, who had lunch with the panel members at a restaurant in the Seoul Sejong Cultural Center, said the two sides should stop their competition of attrition.

"Our most valuable goal is to build a unified democratic nation in this era," No said.

Sees Future Arms Edge Over North

SK260307 Seoul THE KOREA HERALD in English
26 Mar 88 p 2

[By staff reporter Kim Han-kyung]

[Text] Chongwon—President No Tae-u yesterday said the nation will attain military superiority over north Korea in the near future.

Such military strength will help maintain peace and stability not only on the Korean Peninsula but also in northeastern Asia, No said.

"But it is much regrettable that north Korea, despite such a trend of the times, has not yet given up its militaristic nature," the President said at a speech delivered at the commencement ceremony of the Air Force Academy.

North Korea's bombing last November of a KAL airliner which aroused worldwide condemnation well reveals its bellicose nature, he said.

Against the worldwide trend toward detente and peace, No stressed, the situation on the Korean Peninsula remains as tense as ever.

Expecting possible north Korean military provocations to disrupt the Seoul Olympics, the President said the nation is taking all precautionary steps in close cooperation with foreign countries.

"People's immense sense of self-esteem and pride, and democratic potential, however, will make the nation's superiority over the north unshakable," No confidently said. Turning to the values of the Armed Forces, No preachingly told the cadets, "The Army in a democratic state belongs to the people and exists only for them."

"It means that soldiers should feel immense loyalty to the people, and it is the top value of the servicemen which should not be given up for life," he said.

Showing his firm commitment to democracy, he said, "Inauguration of the Sixth Republic signaled the start of a new era when a genuine democracy will blossom amid national reconciliation."

Japan League Members Excluded From DJP List
SK240259 Seoul THE KOREA TIMES in English
24 Mar 88 p 2

["Press Pocket" column: "Simple Coincidence"]

[Text] Whether a simple coincidence or not, the key members of the Korea-Japan Parliamentarians League were excluded from the party nomination for the general elections.

Sensitive observers determined it as a signal for a change in the Democratic Justice Party's stance toward Japan.

Reps. Kwon Ik-hyon, Korean side's president of the association; Yi Sang-ik, vice president; Kim Suk-hyon, general secretary, and Pak Kyong-suk, vice general secretary, were major figures who were dropped out of the nomination.

"It seems to be unusual that such figures who are well known to Japanese politicians all failed to get the party nomination at once. I suspect it might reflect our new leaders' intention to take some initiatives in the policy toward Japan," a party source who asked anonymity said yesterday.

However, DJP chairman Chae Mun-sik brushed aside the presumption. "I've never noticed it till some Japanese reporters pointed it out after the announcement of our candidates. But it is not related to any changes in our policy to Japan," he said.

"With regard to the Korea-Japan Parliamentarians League," he added, "I am going to ask the President to consider Rep. Kim Suk-hyon's role in the organization." It is known that Kim will be given a seat in the National Assembly through the proportional representation system.

Kwon Ik-hyon, chairman of the association, commented yesterday, "It might be meaningful in the eyes of Japanese that we all lost the party candidacy. But it is just a coincidence and has nothing to do with diplomacy, I believe."

It was once rumored that Kwon was being considered as the ambassador to Japan. But he was neither given the ambassadorship nor the party candidacy.

Dropped DJP Members Vow To Run as Independents
SK240323 Seoul THE KOREA HERALD in English
24 Mar 88 p 2

[From the "Out and About" column: "Resurging Drop-outs"]

[Text] Some of the DJP members who failed to be nominated as parliamentary candidates have vowed to run in the general elections as independents.

They include Kim Suk-hyon, Kim Yong-saeng and several others.

"In some districts, problems we anticipated are cropping up," DJP Secretary-General Sim Myong-po said yesterday. "But I believe they will settle down in a few days."

Sim and other DJP officials who participated in the selection of candidates had dinner with President No Tae-u at Chongwadae in the evening.

KBS Issues Manifesto Instead of Filing Suit
SK230601 Seoul YONHAP in English 0522 GMT
23 Mar 88

[Text] Seoul, March 23 (YONHAP)—A group of reporters, producers, announcers and engineers of the state-run Korean Broadcasting System (KBS) Tuesday issued a manifesto accusing former KBS president Yi Won-hong of anomalously operating the company during his presidency.

The five-point manifesto issued by the KBS development promotion council declared that it denounces the former KBS president for disorderly management and for defaming the broadcasting company by using it for his own distinction.

Council members said vestiges of what they alleged to be wrongful practices during Yi's presidency should be eliminated to promote broadcasting culture for the recovery of humanism. Yi served as KBS president from 1980-85 and became the culture and information minister in 1985.

The council had originally considered taking legal action against Yi in connection with his alleged contribution to the Saemaul (New Community) movement headquarters of an indoor gymnasium built with KBS funds.

In consideration of the adverse effects likely to result from legal action, the council has decided instead to issue a manifesto, a KBS source said.

Market Opening To Curb Inflation, Raise Imports
SK230309 Seoul THE KOREA TIMES in English
23 Mar 88 p 6

[By economic editor Yu Chin-su]

[Text] Gone are the days when people felt guilty about possessing foreign currencies after returning home from overseas trips.

Also gone are the days when importers could not hold up their heads for shame in this export-oriented country.

The change in the situation results from the ever-growing current account surplus and the entailing overflow of liquidity.

The nation recorded \$4.6 billion in its first current account surplus in 1986. The black figure rose to \$9.8 billion last year and is expected to register \$7 billion this year.

The so-called era of surplus has been expediting import liberalization of foreign goods.

Recently, the government decided to import 145 more commodities freely from next month, three months ahead of schedule. This will increase the import liberalization rate to 95.4 percent—nearly equal to that of advanced countries.

Of vital significance is that the government plans to import 105 daily necessities which show bid differentials between domestic and foreign market prices.

Sources at the Economic Planning Board [EPB] said Monday imports of the 105 commodities will be liberalized on a gradual basis by the end of this year. The items include pharmaceuticals, cameras, video tape recorders, color televisions, instant coffee, cosmetics, and washing machines. According to EPB, the 105 commodities are sold at prices 1.7 to 4.2 times higher than foreign ones.

For import liberalization, the commodities will see tariff and non-tariff barriers against them being removed or lowered.

The planned import of such daily necessities are aimed at promoting competition between local and foreign makers to help local consumers get high-quality goods at reasonable prices.

The other aim is to stabilize domestic prices of commodities. The wider opening of the domestic market, along with the ever-rising value of the Korean currency against the U.S. dollar, will greatly contribute to curbing domestic prices—and the spiralling inflation.

The government plan for import liberalization might be placing more emphasis on price stabilization rather than on protection of the consumers, as the national economy is on red alert because of the soaring consumer prices.

The government scheme shows strong signs that the nation will accelerate free imports of other commodities, far ahead of schedule. All the remaining 361 items were originally scheduled to be freely imported by the end of 1991.

The scheme also shows the possibility that insurance, banking, communication maritime transport, advertising and other services will be open to foreign investment, earlier than expected.

Drawing keen concern is the situation in which domestic industries will no longer be protected from the shield of non-tariff barriers. Korean entrepreneurs will be forced to tackle their foreign competitors with lower prices or with better quality to survive in an era of internationalization.

In parallel with the escalation of free imports, there will be a substantial change in the strict control on foreign exchange.

In a set of policy measures effective March 25 the government allowed the free remittance of up to \$2,000 out of the country. Individuals are also allowed to possess up to \$5,000.

Emigrating households are entitled to take as much as \$200,000, and overseas offices of domestic companies will be free from all restrictions on foreign exchange expenditure.

Private firms will also be free from foreign exchange control in paying for their overseas communication charges, sales promotion expenses and royalty fees amounting to as much as \$10,000.

Money growth ranging from 700 billion won to 800 billion won a month arising from the current account surplus is the main reason behind the substantial easing of foreign exchange control.

The nation's current account surplus accounted for 8.3 percent of the gross national product (GNP) last year. The rate was the second highest in the world behind Taipei whose share was 21.3 percent.

The nation's foreign debt outstanding stood at \$35.6 billion last year, registering in the world's sixth highest position. The year before the ranking was fourth.

The contradiction of the second biggest surplus rate and the sixth highest debtor position illustrates the necessity for the ease in foreign exchange [FX] control and FX restriction.

The planned decontrol does not mean random use of foreign currencies for non-essential purposes. More imports are required to center on facilities, capital goods, and materials for research and other productive purposes.

The drastic program for wider market opening must be accompanied by measures to help domestic industries stand on their own feet in the expected brutal competition with foreign veterans.

Report Analyzes General Money Flow Trends
SK230253 Seoul THE KOREA TIMES in English
23 Mar 88 p 6

[Text] Non-financial institutions or the government, firms and individuals increased their financial assets by 32.5 percent last year, holding various types of financial items worth 33.6 trillion won.

The figures were contained in a tentative report analyzing the general trends of money flow released by the Bank of Korea [BOK] yesterday.

The report said enterprises and the general public have shifted the bulk of their investments into secondary financial institutions which include insurance firms, securities houses, investment finance companies and merchant banks.

Their investment in the secondary financial institutions last year chalked up a 81.7 percent rise worth 12,811.8 billion won in value.

Investments into marketable securities by the non-financial institutions rose 30.4 percent or 5,779.1 billion won last year, according to the BOK report.

Analysts at the central bank noted that the number of individual shareholders skyrocketed in 1987 due largely to the increasing surplus cash stemming from the continued high economic growth.

Domestic firms' funds raised through insurance companies and stock issuance rose 17 trillion won and their holdings of financial assets increased 9.8 trillion won indicating their improved financial standing.

In the government sector, financial assets showed a sweeping hike of 4.6 trillion won compared with that of the 1.9 trillion won of the year before, the report revealed.

In the private sector, the financial assets held by individuals soared by 34 percent to 19.2 trillion won and their deposits to non-banking institutions including short-term finance companies upped as much as 9.6 trillion won.

Farmers To Receive Support for Land Purchases
SK230259 Seoul THE KOREA TIMES in English
23 Mar 88 p 6

[Text] The Agriculture, Forestry and Fisheries Ministry will support farmers with 200 billion won in farmland purchasing funds this year, aimed at expanding the farming scale. The fund will be increased to 1,000 billion won by 1992.

Minister Yun Kun-hwan, briefing President No Tae-u on the ministry's policy direction of this year, said that emphasis will be put on the production increase through introduction of the high-efficiency agricultural production system.

This year, about 516,000 hectares of farmland or 38.2 percent of the total paddy fields will be realigned and farming roads will be improved in preparation of the farming mechanization, he said.

In efforts to expedite the farming mechanization, farmers will be provided more transplanters and reaping machines which have good effects of labor substitution, according to the minister.

Prices of farming machines will be left to machine makers, inducing them to the stepped-up efforts for quality improvement and after services.

For the improvement of the productivity through hi-tech development, professional researchers and modern farming equipment will be reinforced, expanding the researching bases.

Minister Yun reported that his ministry will go ahead with the rural industrialization program to increase the incomes of farmers and fishermen. The programs will be covered by the comprehensive regional development plan.

To ensure their high income, high-profit farm products, including peanuts and mushrooms, will be distributed to rural areas.

New Dean of National Security Institute Named
SK230147 Seoul THE KOREA TIMES in English
23 Mar 88 p 2

[Text] The government yesterday named Yim Tong-won, researcher at the Institute of Foreign Affairs and National Security (IFANS), as the dean of the IFANS.

He replaced Sin Tong-won who became vice foreign minister on March 4.

Yim, a 1957 graduate (13th class) of the Korea Military Academy, retired as a major general in 1980.

He served as the Korean ambassador to Nigeria and Australia before he was assigned to the IFANS in 1987.

Burma

Army Seizes Chemicals From Loimaw Insurgents

*BK281410 Rangoon Domestic Service in Burmese
1330 GMT 28 Mar 88*

[Text] On the basis of information supplied by a responsible citizen, it was learned that chemicals used in refining opium were being stockpiled by the Loimaw insurgents in a forest area northeast of Mong Kung village, Mong Hsat Township. On 18 March, an Army column under the command of the 88th Light Infantry Division combed the area to locate the chemicals, and there were two engagements with Loimaw insurgent units near Mong Kung village.

Chemicals belonging to the insurgents and used in the manufacturing of drugs—8 25-liter drums of benzenoid liquid hydrocarbon and 32 4.5-liter glass bottles of hydrochloric acid—were seized by the Army.

One soldier laid down his life for the country and five others were wounded in this campaign.

One enemy was found dead and an M-16 was captured.

Wa Stronghold Near Thai Border Said Set Ablaze

*BK290112 Bangkok BANGKOK POST in English
29 Mar 88 p 3*

[Text] Chiang Mai—A Wa National Army [WNA] stronghold near the border here was set ablaze by heavy Burmese artillery and mortar fire yesterday, according to police and military reports.

Sources said Burmese gunners pounded the rebel stronghold opposite Ban Palong Nola, Fang district, at about 5 a.m. with 105-mm, 120-mm artillery, 81-mm and 60-mm mortar shells.

The rebels retaliated with mortar fire and 57-mm recoilless guns.

Several phosphorus shells hit the WNA camp, sparking a fire that raged until late in the afternoon, forcing most of the rebels to flee across the border, only to be turned back by Thai security forces, the sources said.

They said the rebels later headed towards another border stronghold that also came under heavy shelling yesterday.

But the sources said Burmese government troops have not been able to capture the Ban Palong Nola base.

Meanwhile, Burmese forces yesterday launched an artillery attack on another WNA base at Doi Sam Chuk, located north of Ban Palong Nola.

Captured Burmese porters reportedly told Thai military officers they overheard Burmese officials say an air strike might be launched against the rebels in the near future.

The fighting that has raged near the border since last week has forced Thai hilltribe villagers to move inland.

Thai flags have been erected at a number of border points to warn the two sides against possible incursions, sources said.

It was reported that Burmese reinforcements have been despatched to secure a log-hauling route leading to Chiang Dao district.

Paper Reports 5 People's Assemblymen Resign

BK291128 [Editorial Report] Rangoon THE WORKING PEOPLE'S DAILY in English on 10 March carries on page 8 five short news items announcing the resignation of five representatives—Colonel Aung Myint Baw, Colonel Tin Hlaing, U Thein Tun, U Hla, and U Sai Ai Kyaw—from the People's Assembly with effect from "February 1988". The news items are identical except for the names of the representatives, the township constituencies they represent, the actual date of resignation, and the notification number of the State Council.

The report of the resignation of Representative Colonel Aung Myint Baw, who is also director general of the President's Office, reads as follows:

"Pyithu Hluttaw [People's Assembly] member for Tamwe Township Constituency 2, Rangoon Division, Col Aung Myint Baw has been permitted to resign as a Pyithu Hluttaw member with effect from 17 February 1988 under Section 4 of the Resignations and Replacement Law as he submitted his letter of resignation as a Pyithu Hluttaw member.

"This was announced in the Notification No 39/88 of the State Council issued today."

Army Chief Speaks on Armed Forces Day

*BK270929 Rangoon Domestic Service in Burmese
0110 GMT 27 Mar 88*

[Speech by Chief of Staff General Saw Maung to 43d Armed Forces Day Parade at the Resistance Park, Rangoon—live]

[Text] Soldiers: Today marks the 43d anniversary of the onset of the resistance against the fascists as well as Armed Forces Day. Our Armed Forces were able to defeat the fascists and win victory because we fought together with the people and formed an integral part with them. Hence, Armed Forces Day is of special significance both to our country as well as to our Armed Forces.

Our Armed Forces, born from the people amid the struggle against imperialism for national independence, has firmly stood together with the people in safeguarding the nation's independence and sovereignty. Today, under the leadership of the Burma Socialist Program Party [BSPP], our Armed Forces are taking part in efforts to build an affluent socialist society. What I would like to discuss here are the tasks and responsibilities that we must uphold to ensure the success of those endeavors.

Soldiers, the first objective will be to promote even further our task of defending the country and building socialism through the strength of national unity. Defending the country and building socialism are the two key tasks of our Armed Forces, and they are our historic duty. From the very beginning, our Armed Forces have been made up of young patriots who love independence and are willing to sacrifice all they have. Hence, together with the people, they opposed and resisted imperialism and fascism, and struggled with utter devotion and determination for the sake of the country's independence.

The Armed Forces have always stood tall before the people in fighting all the enemies within and without to safeguard the country's independence and sovereignty and to ensure the union remains intact. In accordance with their glorious historic tradition of always siding with the interests of the people, our Armed Forces became the core force when the socialist revolution was launched.

Today, unwaveringly accepting the leadership of the BSPP, our Armed Forces continue to exist as a force that serves the state and the people. Thus, in accordance with their correct and noble character and with a glorious historic tradition, the Armed Forces are carrying out the two key tasks of building socialism and defending the state.

The task of defending the state is to safeguard and protect our independence, sovereignty, and territorial integrity; the defense of the state involves opposing, fighting, and crushing any enemy who violates or interferes with our independence and sovereignty. Ensuring that no foreign aggression takes place is also another aspect of defending the state, as is safeguarding the interests of the people, their lives and property, and the fruits of the people's labor. Since the tasks of defending against foreign aggression and safeguarding the interests of the people are enormous, we should work hand in hand with the people in defending the state just as when we fought together with them in achieving independence.

While defending the state, our Armed Forces are also engaged in socialist construction. The task of building a socialist society, which is in the interest of all the people, must be joined by all the people. As a component part of

the masses, our Armed Forces must also take part in that task. Hence, we must be one and the same with the people when participating in socialist construction.

To responsibly carry out these two main tasks, we must heighten and perfect the three capabilities of the Armed Forces while trying to gain the strength derived from national unity. Burmese history has clearly proved that the strength derived from national unity has the power to overcome all difficulties, to achieve independence, and to preserve the integrity of the union. We must ensure the people's participation in the two main tasks of our Armed Forces and remember the importance of the strength derived from national unity. In this connection the BSPP chairman said at the 1963 Peasants Seminar: We should not be delineating duties; instead, the government and the working people should be working together in solving the problems of the country. Should there be a time when we encounter a threat of war, it will not be the duty of the Armed Forces alone to face that threat. The Armed Forces and the people must work hand in hand to meet that challenge.

We must be guided by this instruction and always strive to work toward gaining the strength of national unity. Armed Forces personnel are children of the people, and so they must associate closely with the people. Their manners, both in deeds and words, must ensure that they gain the respect of the people. Only then will they become an integral part of the people and be able to obtain the strength of the people in accomplishing their work. Hence, for Armed Forces personnel to carry out the two main tasks of our Armed Forces, it is essential that they obtain the strength of national unity.

The second major task that we must carry out is to cooperate with the people in working toward improving the socioeconomic conditions of the country. This task is interrelated to the duties of building a socialist society. Since the time of the anti-imperialist struggle for national independence, it has been the dream of the people to build a socialist society. All the people firmly believe that only when there is no exploitation of man by man and of race by race, and only when there are just social relations in the country will it be possible to build a new and prosperous society. In accordance with this belief and under the leadership of the BSPP, a socialist economy is being implemented in the state.

Inherent to socialist economic principles is the need for all unjust conditions to be eliminated and a just situation created. Economic enterprises that concern the public should belong to the people and should be run with the participation of the people. The fruitful results of such an enterprise with the participation of the people should be enjoyed by each and every working person according to his own physical, mental, or other contribution.

Systematically working in the interests of the people in such a way is to promote their socioeconomic life. Moreover, it contributes to the development of the

country's defense power, ensures the perpetuity of the state, and raises the standard of living of the people. The party, the state, and the mass and class organizations are carrying out economic construction tasks so as to implement the objectives of a socialist economy. Similarly, we, the Armed Forces personnel, have also joined the people in working with might and main in major production tasks. In addition, we, the Armed Forces personnel, are systematically studying modern and scientific farming and livestock breeding methods and making efforts to develop farming and livestock breeding and relief work within the services. Moreover, while helping the peasants on the farms to boost agricultural production, Armed Forces personnel also assume any given duty in any assigned place in the other economic sectors.

In performing their duties in the economic sectors, Armed Forces personnel must mainly direct their efforts toward boosting production. They must constantly strive to find ways to improve production, work systematically and effectively, and enthusiastically join the people in boosting socioeconomic conditions in the country.

Soldiers, the third task we must carry out is eradicating all subversive elements in the country with the strength of the people. While constructive tasks are being carried out under the BSPP leadership to develop the socioeconomic conditions of the people, destructive elements, both above ground and underground, are resorting to all sorts of disruptive acts to hamper the progress of the people.

Burma's economy has to a certain extent been affected by an unstable world economy. Arrangements have been made in the light of local conditions to withstand the economic impact from the world economy. Taking advantage of conditions which arise while those arrangements are being made, greedy, corrupt, and immoral people have resorted to all manner of means to launch whispering campaigns and spread rumors.

At the same time, some armed insurgents are continuing their destructive activities in the remote border areas. They brutalize and bully the local people. They survive by smuggling out national resources and by manufacturing and selling narcotic drugs. In addition, several insurgent leaders, after establishing foreign contacts, have made slanderous statements against the party and the state.

As long as destructive elements exist within the country, peace and the development tasks of the people will be hampered. Thus, in accordance with our historic tradition of always siding with the people, we, together with the people, must crush these elements.

True to the name given us—the People's Armed Forces—we are fighting against all dangers that threaten the people. With loyalty to the state and the people, selflessness, and a willingness to sacrifice, we will persist

in our efforts to eradicate the insurgents. Because the people know the truth—that we are waging a just war in the interests of the people—they support us.

Because of our combat capability and the support and encouragement of the people, we are achieving victories in the task of eliminating destructive elements. Since we have carried out these tasks hand in hand with the people, we have been able to eradicate insurgency in many different areas of the country and have expanded the work of building "hardcore" areas and establishing the rule of law. The party organizations and people's councils concerned have been continuing the work of ensuring regional peace and development in those areas where insurgency has been eradicated.

In cooperation with the people, our Armed Forces are continuing their fight to wipe out the remnant insurgent elements in the remote border areas. As a result of our efforts, we have been able to capture the bases and headquarters of insurgents in areas in the jurisdiction of the Northern, the Northwest, and the Southeast Military Command. In these campaigns, the local people have provided us with physical, spiritual, and material support. No longer able to tolerate the immoral stand and brutalities of the insurgents, the local people have formed anti-insurgent units and are actively backing our Armed Forces in the elimination of insurgency. People's militia units, together with our Armed Forces, are also fulfilling their assigned duties. Due to the combat efficiency of our Armed Forces and because of the strength of the people that we have gained, insurgents operating in the remote border areas have disintegrated and can no longer stay in one stationary fortified place.

Our Armed Forces are now stepping up military operations and, with broader support from the people, continuing the tasks of crushing insurgency. True to its tradition of being born from the people and of always standing on the side of the people, our Armed Forces have faith in and respect the strength of the people. Hence, I would like to urge you to strive to eradicate all destructive elements in the country with the strength of the people while keeping the interests of the people in mind.

Soldiers, in conclusion I would like to sum up the points mentioned. True to being members of the People's Armed Forces, uphold the interests of the people, and strive with total determination, courage, and diligence to implement the objectives of our Armed Forces on this 43d Armed Forces Day—to promote further the tasks of defending the state and building a socialist society with the strength of national unity; work together with the people to develop the socioeconomic conditions of the people; and work with the strength of the people to eliminate all destructive elements in the country. [applause]

Brunei, Malaysia & Singapore

Malaysia

Change in Indonesian Foreign Minister Noted

*BK280958 Kuala Lumpur International Service
in English 0800 GMT 28 Mar 88*

[Station commentary]

[Text] The media all over the world generally, and in the ASEAN region in particular, has expressed goodwill towards and confidence in President Suharto's new cabinet. Understandably, the focus of attention has been the change in the foreign affairs portfolio.

The ASEAN members have great respect for the superb negotiating skills of former Foreign Minister Mokhtar Kusumaatmaja. His good work as a mediator in the Kampuchean crisis will always be remembered. It was also that he was acceptable to the Vietnamese Government leaders too. His successor is Mr Ali Alatas who has been the permanent representative of Indonesia at the United Nations headquarters in New York. The ASEAN community has expressed its confidence in the new foreign affairs minister and, to quote one authority—the Thai Foreign Ministry spokesman, Mr Alatas can be described as a frank speaker.

President Suharto's new cabinet will be marked by continuity of policy. We can therefore expect the Kampuchean problem to be the foremost among regional political issues. With the definite prospect of a Soviet withdrawal from Afghanistan now at hand, it is only natural for the ASEAN members to want a speedy end. The manner in which the three anti-Vietnamese groups have derived support from the Kampuchean people is sufficient evidence of the unpopularity of the present regime in Phnom Penh. That so-called government headed by Hun Sen is able to survive only because of the massive Vietnamese military presence. It is comparable to the regime of Najibullah in Kabul. Hanoi's leaders should emulate the examples set up Mr Gorbachev who had opted for internal economic growth rather than for grandiose external glory. After all, there is no comparison between the Soviet Union and Vietnam—one is a superpower with more abundant resources than Vietnam.

The Government of Vietnam has not even managed to plan a coherent strategy for the reconstruction of the war ravaged economy. A recent report that appeared in the Vietnamese Communist Party newspaper NHAN DAN brought attention to the severe shortage of rice in Vietnam. As in other countries of Southeast Asia, rice is a staple food of the people. The country is in a very sorry plight indeed if it is unable to produce enough rice to feed its own people. Many observers have expressed both puzzlement and dismay at the Vietnamese refusal to accept the realities of the situation. Nearly 13 years after the end of the conflict and the American pullout, Hanoi's

leaders still believe in allocating substantial human and economic resources to meet their needs. The ASEAN member countries are not and cannot be a threat to Vietnam. Therefore ASEAN's diplomacy will continue to address its efforts towards settlement of the Kampuchean problem.

In this delicate task, there is no doubt that the new Indonesia foreign minister will play a very significant role.

SFRY Company To Establish Joint Venture

*BK290941 Kuala Lumpur International Service
in English 0800 GMT 29 Mar 88*

[Text] Malaysian and Yugoslavian companies today signed a license and a service agreement in Kuala Lumpur, marking the combination of efforts to bring another viable foreign venture to the country;

The 25 million ringgit agreement is for the production of 60,000 meters a year for the National Electricity Board. A factory to be based in Perak will begin operations in August. The local company involved is (Mafira) Meters Manufacturing Sendirian Berhad. The meters will be produced for the local as well as the ASEAN markets.

Comoros Foreign Minister Arrives for Visit

*BK280855 Kuala Lumpur International Service
in English 0800 GMT 28 Mar 88*

[Text] Acting Foreign Minister Tengku Ahmad Rithauddeen says Malaysian trade and economic activities must diversify into Africa as the continent offers great potential in these areas.

He said, after an hour-long discussion with Comoros Foreign and Foreign Trade and Cooperation Minister Said Kafe at the Defense Ministry in Kuala Lumpur today, that trade relations with the continent have so far been conducted on an ad hoc basis.

Mr Said, accompanied by three officials, arrived today for a 5-day visit.

Holds Talks With Ghafar

*BK290917 Kuala Lumpur International Service
in English 0800 GMT 29 Mar 88*

[Text] Malaysia has agreed to provide places in its institutions of higher learning for students from the Republic of Comoros. The deputy prime minister, Mr Ghafar Baba, says Malaysia will also train officials from that country in its training institutions. He told newsmen this after holding talks with the foreign minister of Comoros, Mr Said Kafe, in Kuala Lumpur. Mr Ghafar said Comoros had also expressed interest in buying timber from Malaysia.

Mr Kafe is leading a delegation on a 5-day visit to the country. Tomorrow the members will hold talks with the Malaysian Timber Industry Board.

Mahathir Says Tolerance Key to Progress

*BK271130 Kuala Lumpur BERITA HARIAN in Malay
21 Mar 88 p 1*

[Text] Kuala Lumpur, Sunday [20 March]—Prime Minister Datuk Sri Dr Mahathir Mohamed said the rapid development of a nation is the aspiration of every citizen, but this can be only realized through the spirit of tolerance and a real united effort. The prime minister said Malaysia wants to emulate the success achieved by some developing nations currently recognized by global nations as new industrialized nations.

Officiating at the starting ceremony of the Solidarity Walkathon '88 at Padang Merbok here, the prime minister said, "We are also similarly enjoying this development achievement, but stronger determination and a stronger spirit of solidarity are needed." In line with this, the multiracial population in the country must take greater responsibility to understand each other's traditions and customs in order to enhance the greater tolerance needed to guarantee national stability.

Datuk Sri Dr Mahathir strongly believes that an everlasting peace can prevail in the country only through the spirit of cooperation, understanding, and tolerance. He said the first step toward rapid development is through solidarity. He said to the massive gathering of people attending the occasion, "We can focus all our attention on national development if there is peace. On the other hand, if the various races in the country are always bickering with each other and holding protests, the national stability will be at stake." He said an unstable condition will bring about a setback in economic progress, increase the unemployment rate, and obstruct foreign investment.

He said, "There is not one group in this country that can call itself perfect. This is because there is good and bad in every race. Do not consider oneself as being only the best. When we are ready to accept the fact that we are not 100 percent perfect, only then can we say that other people are also not perfect." He said the acceptance of that fact will form the nucleus of solidarity among the multiracial community. He stressed tolerance as the key factor for solidarity.

Datuk Sri Dr Mahathir said even though Malaysia is a multiracial nation, good relations prevail among the various races compared to some countries with only one race. He said, "We must improve the existing good relations through various solidarity activities." He said Malaysia cannot yet be considered as a new industrialized nation such as South Korea, Singapore, or Taiwan. According to him, such countries succeeded in becoming industrialized nations because they gave full attention to development.

The prime minister said even though the government has numerous policies for development, it is left to the people to accept and understand that objective.

He said, "We want our country to be peaceful, our people's income to be sufficient, and to have a low unemployment rate. We want to see Malaysia more progressive, but these aspirations cannot materialize without everyone's stronger efforts."

Editorial Supports View

*BK281320 Kuala Lumpur BERITA HARIAN in Malay
22 Mar 88 p 10*

[Editorial: "Eradicate narrow-mindedness immediately, improve real tolerance"]

[Text] To live in a multiracial society such as in Malaysia needs a great deal of deep understanding. Real effort is needed to nurture harmony among the various races. Prime Minister Datuk Sri Dr Mahathir Mohamed yesterday stressed the importance of this understanding in developing everlasting goodwill. Datuk Sri Dr Mahathir said the spirit of true tolerance coupled with strong effort is the key to materializing the people's aspirations and creating a harmonious society where all live peacefully and cooperate with each other.

The prime minister's wish to see the country peaceful and secure corresponds to the wishes of a large proportion of nation's population. The country has no other choice if it wants a progressive and self-sufficient nation. Narrow and shallow minded people have no place in this country. The prime minister and the other national leaders have repeatedly stressed this point. Those who cherish their country, the people in general and the individual in particular, should be made to realize this reality so that their views will not be greatly influenced by wanton desires which can destroy the sought-after solidarity.

If the people are intolerant, then the existing peace will be completely destroyed. Tolerance has been a part of this country since the people began recognizing and accepting the other races. The original settlers of this country accepted immigrants who settled here and have always treated them with fraternal kindness. This kindness turned the Malay Peninsula into a prominent trading center which linked the east and west and, on the basis of this relationship, the Malay Peninsula prospered.

Racial and religious relations between the various races began to deteriorate when the formerly harmonious situation was politicized, first by the colonialists and then by the people themselves. The colonialists deliberately divided the races and religions by allocating to each certain social and economic functions as part of the early effort toward the colonization of our country. They knew that if they did not destroy multiracial solidarity, it

would be difficult for them to colonize the country later. The "divide and rule" policy was practiced until our country achieved independence.

Our success in uniting the people through tolerance in race and religion has quickly turned our country into a developing nation with rapid economic growth and national strength. We have been successful in stemming efforts to destroy racial and religious tolerance among the various races. There were times when we felt we were being threatened by a group of people, but so far we have been successful in averting racial tension. The unfortunate May 13 incident taught us a bitter lesson about ignoring tolerance and politicking over racial issues. We must not let the politics of a narrow-minded minority, be they within political organizations or outside them, destroy the tolerance and understanding which we have forged at all levels. We should recall and appreciate the fraternal bonds of the untainted individual who never considers shallow politics or racial sentiment as capital for investment. On the other hand, we accept the special responsibility of the political circles in this plural society. As an individual and as a member of a multiracial society, we must not hand over all our interests to them. We should renounce politicians who harp on racial issues. It must be remembered that when our country becomes chaotic, all races will suffer, especially the poor. We must disregard all extreme racist attitudes if we want our country to progress, our people to be self-sufficient, and our country to be respected in international society.

Central Bank Releases 1987 Annual Report
BK290712 Kuala Lumpur BERNAMA in English
0624 GMT 29 Mar 88

[Text] Kuala Lumpur, March 29 (OANA-BERNAMA)—Malaysia chalked up a 5.9 billion ringgit (U.S. \$2.36 billion) surplus in its current account in 1987, a strong turn around from the deficit of 1.7 billion ringgit (U.S. \$680 million) in 1985, Bank Negara (Central Bank) said in its annual report for 1987 released Tuesday.

The surplus last year, which constituted 8.1 percent of gross national product (GNP), was the largest surplus on record, compared with the 1986 surplus of 90 million ringgit (U.S. \$36 million) which was only 0.1 percent of GNP.

The report said the steady recovery in commodity prices and sustained growth in the export of manufactured goods raised merchandise exports by 25.9 percent after a decline of 5.9 percent in 1986.

Reviewing the balance of payments position, the Central Bank said the rising competitiveness of Malaysian industry and buoyant external demand led to a substantial strengthening of the balance of payments position over the last four years.

Merchandise exports rose by 25.9 percent to account for 61 percent of GNP in 1987 thanks to the recovery in exports of major commodities and manufactured products, the former spurred by a sustained recovery in commodity prices.

As of December 31, 1987, the Central Bank's net international reserves amounted to 19.4 billion ringgit (U.S. \$7.76 billion), which was 2.9 billion ringgit (U.S. \$1.16 billion) higher than the earlier record level at the end of 1986.

Forecasts 1988 Economic Growth
BK290910 Kuala Lumpur BERNAMA in English
0734 GMT 29 Mar 88

[Text] Kuala Lumpur, March 29 (BERNAMA)—Malaysia's economy is expected to record a robust five percent growth this year, according to a Bank Negara forecast.

The Central Bank Governor Jaffar Hussein told a news conference Tuesday this is a reasonable projection as all the lead productive sectors are recording continued expansion.

The Central Bank forecast doubles the 2.5 percent growth forecast by Finance Minister Daim Zainuddin in his 1988 budget in Parliament in October last year.

An independent think-tank, the Malaysian Institute of Economic Research (MIER), forecast a 2.7 percent growth for 1988 in December—after the Wall Street crash—down from its earlier forecast of 3.9 percent.

Jaffar told the news conference held to release the bank's 1987 annual report that manufacturing which exhibited buoyancy and robustness across the board last year was expected to continue to be the lead sector this year.

He said last year manufacturing overtook the agricultural sector to emerge as the lead sector for the first time in the country's economic history.

Even the construction sector was likely to turn around this year after two years of sluggishness, he said.

Briefs

Remote Sensing System

Malaysia Tuesday [29 March] signed an agreement for the purchase of a remote sensing satellite ground station system to be installed at the National Remote Sensing Center (NRSC). Science, Technology, and Environment Minister Stephen Yong said the system was expected to be fully operational by early next year. The system would be used for earth resource management applications, including mapping, geological exploration, and urban development planning, he told reporters after signing the agreement on behalf of the government. He said the system would be financed by a six million ringgit (U.S.

\$2.4 million) grant offered by the Canadian International Development Agency. [Text] [BK290656 Kuala Lumpur BERNAMA in English 0458 GMT 29 Mar 88]

Cambodia

KPRP Greets LPRP Founding Anniversary

BK260729 Vientiane Domestic Service in Lao
0000 GMT 26 Mar 88

[Congratulatory message from the KPRP Central Committee to the LPRP Central Committee on the occasion of the 33d founding anniversary of the LPRP—dated 22 March]

[Text] On behalf of the KPRP Central Committee and the Cambodian workers and people throughout the country, we would like to extend our congratulations to the LPRP Central Committee and the fraternal Lao workers and people. We wish you our warmest and best fraternal wishes on the occasion of the 33d founding anniversary of the LPRP—the continuator of the esteemed cause of heroic struggle of the Indochinese Communist Party—which has led the Lao people to overcome all difficulties in the arduous struggle against the French colonialists, the Japanese fascists, the U.S. imperialists and in smashing schemes in all forms of the reactionaries in trying to aggress against and topple the young LPDR.

At present, the [Lao people] have gradually and triumphantly fulfilled the socioeconomic development plan outlined at the fourth party congress, thus gradually improving their moral and material life.

We are fully convinced that under the correct, wise, and clear-sighted leadership of the LPRP, the fraternal Lao people will score yet greater victories in fulfilling the cause of defending and building their country and in advancing toward socialism.

On this auspicious occasion, we wish that the relations, special militant solidarity, and all-round cooperation between the parties, states, and peoples of our two countries—Cambodia and Laos—be incessantly developed with every passing day.

We extend to you our communist-style fraternal tribute and affection.

Koy Buntha Greets CSSR Defense Minister

BK290800 Phnom Penh SPK in French 0542 GMT
29 Mar 88

[Text] Phnom Penh, 29 Mar (SPK)—PRK Defense Minister Koy Buntha recently sent warm greetings to his Czechoslovak counterpart, Milan Vlacik, on his 60th birthday.

In the message, Koy Buntha wished Milan Vlacik good health and new successes in carrying out his noble task.

Heng Samrin Visits Koh Kong Province

BK281150 Phnom Penh SPK in English 1130 GMT
28 Mar 88

[Text] Phnom Penh SPK March 28—Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council of the People's Republic of Kampuchea, has made a four-day tour of Koh Kong Province, some 270 km west of Phnom Penh.

During his visit, which lasted from March 20-23, he met party and administrative officials in various localities in the province, and called on hospitalized combatants. He also called at an industrial establishment and attended the inaugural ceremony of cultural centre in the provincial town of Koh Kong.

In his meeting with local population and cadres there, President Heng Samrin highly hailed the all-sided achievements recorded by the locality over the past nine years, especially in national construction and defence. He attributed these achievements to the unity in the local authorities and between them with the population and to their great efforts in discharging their tasks.

Speaking of the Kampuchea-Thailand relations, the Kampuchean leader said that the people of Koh Kong, like the people in other localities in the country, have always shown their wish to live in friendship and neighbourliness with the Thai people on the principles of mutual respect for each other's independence and sovereignty.

Heng Samrin urged the population to work ever harder to materialize the tasks of national defence and construction set by the party and state, especially to step up food production, forest exploitation and fishing, and to defend the locality from sabotage by the enemy to ensure the people's peaceful life.

VODK Reaffirms Unity as Key to Struggle

BK281113 (Clandestine) Voice of Democratic
Kampuchea in Cambodian 2330 GMT 27 Mar 88

[Station editorial: "The Great National Unity Is an Essential and Necessary Factor To Win Against the Vietnamese Enemy Aggressors and Race Exterminators and To Safeguard the Cambodian Nation and Race"]

[Text] Through fresh experiences in blood and flesh in the past more than 9 years and bitter experiences through history, our entire Cambodian nation and people have clearly realized that the Vietnamese enemy aggressors are a deadly threat to the survival of the Cambodian nation and race because Vietnam is at Cambodia's doorstep and has a population and army many times larger than Cambodia. It also constantly has an ambition to annex Cambodia as part of Vietnam's territory in accordance with its Indochinese federation strategy. Furthermore, Vietnam has the backing of the

Soviet Union, an international expansionist superpower, which has provided all kinds of assistance to Vietnam—military, political, and economic—in the war of aggression in Cambodia. On top of this, Vietnam is a stubborn aggressor with all kinds of deceitful maneuvers up its sleeves in the military, political, diplomatic, and in other fields.

As a concrete example, although Vietnam is currently facing all kinds of difficulties on the battlefield in Cambodia, in Vietnam, and in the international arena, and despite condemnation from every direction, Vietnam still refuses to pull out its forces from Cambodia. On the contrary, it has instead more busily carried out all kinds of deceitful maneuvers in an attempt to achieve its act of aggression in Cambodia. This shows that Vietnam is very stubborn; it does not give up its ambition easily. And although one day it will face hardship to the point of being compelled to pull out its aggressor forces from Cambodia, Vietnam will not abandon its ambition to annex Cambodia. Once Cambodia is split and weak, Vietnam will come and try to annex it again. Therefore, Vietnam is a deadly danger to the survival of the Cambodian nation and race, both now and in the future.

To face this serious and long-standing danger to the survival of the Cambodian nation and race, Democratic Kampuchea has decided to adopt a policy of great national unity to rally all Cambodian national forces of every stratum and of every political tendency, and through this, international forces, in the current national liberation struggle against the Vietnamese aggressors and to unite in safeguarding the Cambodian nation and race forever.

Cadres and the entire National Army of Democratic Kampuchea have clearly and wholeheartedly grasped this policy and have been seriously implementing it. The entire Cambodian people, inside the country and abroad, have also clearly understood this policy of great national unity. Everyone is satisfied with the setting up of the tripartite CGDK and with the Kuala Lumpur statement and the CGDK's 8-point peace proposal dated 17 March 1986. Everyone clearly realizes that only this great national unity can oppose the Vietnamese aggressors in this current national liberation struggle and safeguard the Cambodian nation and race forever. Therefore, this great national unity has been profoundly disseminated among the entire Cambodian nation and people and in the entire National Army of Democratic Kampuchea. This has already become sacred and the soul of the entire Cambodian nation and race. No political party or group can alter this.

Over the past few years, under the banner of great national unity, the Cambodian people's struggle against the Vietnamese aggressors has steadily progressed to the present phase in which all of us clearly see that Vietnam is heading toward total defeat in the end and that our nation and race will certainly be liberated in the future. Therefore, we should continue to firmly adhere to this

just policy of ours to quickly liberate our nation and race from the devilish grip of the aggressors. And after liberating the country, we should further strengthen and expand this policy of great national unity to defend and build our motherland and beloved Angkor land so that it prospers and remains forever.

Briefs

Cooperation With USSR

Phnom Penh, 26 Mar (SPK)—A cooperation plan between the Cambodia-USSR Friendship Association and the USSR-Cambodia Friendship Association was concluded at the end of the visit by the latter's delegation. Signatories were Pen Navut, vice chairman of the association, and Lana Ivanova, vice chairman of the presidium of the Union of Soviet Societies for Friendship and Cultural Relations with foreign countries. During its stay from 23 to 25 March, the Soviet delegation was received by Chea Sim, member of the Political Bureau of the KPRP Central Committee and chairman of the National Assembly; and Pen Navut. It visited the former royal palace, the Tuol Sleng Museum of Genocide, the Cheung Ek mass graves, and the Angkor temples in Siem Reap-Oddar Meanchey. [Text] [BK260723 Phnom Penh SPK in French 0449 GMT 26 Mar 88]

Newspaper Delegates to Hanoi

At the invitation of NHAN DAN, the news organ of the Vietnamese Communist Party, a delegation of the paper PRACHEACHON led by Comrade Som Kimsuor, member of the KPRP Central Committee and chief editor of the paper, left Phnom Penh on 24 March to attend the meeting of chief editors of the three Indochinese countries' party papers, to be held on 26 March, and the meeting of chief editors of socialist countries' party papers, to be held on 28 and 29 March, in Hanoi. Seeing the delegation off were Comrade Pen Panhna, deputy chief editor of PRACHEACHON, and many other cadres and workers of the paper. [Text] [BK270556 Phnom Penh Domestic Service in Cambodian 0430 GMT 27 Mar 88]

Laos

Sisavat Keobounphan Returns From Bangkok
BK260721 Vientiane Domestic Service in Lao
0000 GMT 26 Mar 88

[Text] At noon yesterday, General Sisavat Keobounphan, chief of the LPA General Staff, left Thailand for Vientiane by a special plane after attending the cremation of Mom Aphinphon Phetcharat Rattanavongsa, whose maiden name was Yongchaiyut, on behalf of his own family and the family of President Souphanouvong. The cremation was held in Bangkok on 24 March. Gen Sisavat Keobounphan attended the cremation at the

invitation of the family of General Chawalit Yongchaiyut, Army commander in chief and acting military supreme commander of the Kingdom of Thailand.

Welcoming Gen Sisavat Keobounphan at the Wattai Airport were Brigadier General Thonglai Kommasit, deputy chief of the LPA General Staff Department, and a number of cadres concerned. Niran Phanuphong, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, was also on hand at the airport to welcome Gen Sisavat Keobounphan.

Paper Notes Failure of Thai Border Talks

*BK281030 Vientiane Domestic Service in Lao
0000 GMT 28 Mar 88*

[PASASON 28 March Commentary: "Negotiations To Settle the Lao-Thai Problem Must Be Carried Out Step by Step"]

[Text] Talks aimed at solving international problems are not at all an easy thing. They require sincerity and the endeavors of all parties concerned. If the parties concerned make joint efforts and are mutually sincere, they can overcome any obstacle and reach agreement. For example, after 2 days of the consultative meeting, the military delegations of the LPDR and the Kingdom of Thailand on 17 February signed the agreement on the cease-fire; troop disengagement; and the setting up of a committee to coordinate, inspect, and supervise the implementation of the agreement. This is the right path to follow. Because the negotiations and the subsequent solutions to the problems have been carried out in accordance with the logic of each problem, all problems existing between the military circles of the two countries have therefore been solved, which in turn greatly benefits both countries and the Lao and Thai peoples. Such an agreement has benefited not only peace and security between the two countries but also peace in the Southeast Asian region. All of this must be regarded as a current lesson and example for political negotiations between Laos and Thailand.

Unfortunately, the government delegations of the two countries were unable to reach any agreement after the two consecutive rounds of talks because the above-mentioned example was not followed. Many causes can be attributed to the failure of the negotiations. The most important one is that the Thai side wanted to skip certain steps in solving the problem, disregarding procedure and logic. For instance, as both sides were still unable to reach any agreement the Thai delegation proposed the setting up of an ad hoc committee in charge of delineating the borderline.

During the two rounds of talks, the Lao side was trying to express its good intention and clearly explained the reasonable method to solve the problem in accordance with its procedure and logic that was rejected by the Thai side. They insisted on setting up the ad hoc committee

and submitted the namelist of members of the committee to the Lao side as indicated in the letter from the Thai ambassador in Vientiane to LPDR Foreign Minister Phoun Sipaseut. At the same time, they put forth several other proposals in a bid to reject the Lao side's goodwill and prolong the negotiations.

The Lao side maintains that the improvement in Lao-Thai relations must be made in many areas. The problems must be solved step by step and in accordance with their priority. The top priority is the border dispute in the area between Boten District of Laos' Sayaboury Province and Chat Trakan District of Thailand's Phitsanulok Province and should be settled, the sooner the better. The Lao side has been practicing restraint and trying to clearly explain its reasonable approach as prescribed in the official letter of the LPDR Foreign Ministry which was handed to the Thai ambassador on 23 March. The Lao side has not rejected the setting up of the joint technical committee. But both sides must, first of all, delineate the borderline in the area between Boten and Chat Trakan Districts based on the treaty and protocol dated 23 March 1907 and relevant maps because that committee will be only an organ to carry out the task assigned by the government delegations of the two countries. Up to the present, the Lao side's proposed method, which is reasonable and conforms with the logic of the problem, has not yet been considered by the Thai side. However, the Thai side still has enough time to give a suitable answer to the Lao side's goodwilled method of solving the problem—the border dispute in the area between Boten and Chat Trakan District that is regarded as the top priority task before continuing the negotiations to jointly solve other remaining problems step by step.

The LPDR government delegation once again reaffirmed in the official letter recently handed to the Thai ambassador that it is ready to go to Bangkok at any time to continue the negotiations to solve the existing problems, in particular the top priority one, on an equal footing and on the basis of the spirit of the Lao-Thai joint communiques of 1979 for the benefit of the long-lasting and permanent friendship between the peoples of the two countries and peace and security in Southeast Asia and in the world.

Comments on Cause of Dispute

*BK281110 Vientiane KPL in English
0900 GMT 28 Mar 88*

[Text] Vientiane, March 28 (KPL)—What exactly was the cause of the Lao-Thai border dispute? This was the title of PASASON's commentary published on March 26.

"Ever since the cease-fire started and the subsequent disengagement of both troops," the paper pointed out, "the armies and peoples of Laos and Thailand to no

avail, have been eagerly waiting for the explanation concerning the cause of this border dispute at the Lao Boten District and the Thai Chat Trakan District."

Such wish, the commentary said, is borne out of both peoples' aspiration to maintain and strengthen their time honoured relations of friendship and brotherhood. Bearing this in mind, accordingly the Lao side has together strived with the Thai counterpart to find ways to settle the Lao-Thai border dispute on legal and judicial basis in accordance with the 1907 Franco-Siamese Treaty.

On the relevant clause defining the border at the dispute area, the paper emphasised that the treaty simply speaks on Nam Heuang (not Heuang Nga or any other) as the natural border line. This legal fact coupled with the actual administration over the area which comes under the Lao jurisdiction of Taseng Na Banoi, Boten District, Sayaboury Province for over 80 years, indisputably prove that the disputed area belongs to Laos. To this effect PASASON added, the Thai "Ban Romklao" was a new settlement of displaced people inside the Lao territory. Thus, the settlement was aimed at justifying its occupation of the Lao territory. In short, the cause of the armed dispute at this point of the Lao-Thai border simply sprang from the wish of certain bad elements within the men in power in Thailand, especially the influential men in the Foreign Ministry of Thailand. They were personally responsible for dragging along the sons of the people to the battle field to fight with their kin the Lao people.

In this connection the paper pointed out should these Thai officials have taken up several propositions of the Lao side aiming at settling the dispute by peaceful means, futile loss of lives and materials could have been avoided.

Bearing these facts in mind, it demands of us—the Lao and Thai people alike, to be on guard—this painfully bitter history of their relations should never be allowed to repeat itself. There are still individuals in Thailand who have tried their best to obstruct and prolong process of settling the border dispute by peaceful way. It is heart warming to hear the declaration made by the heads of the military delegations of both countries that: "From now on the armies of Laos and Thai shall no more fight each other", the paper welcomed statements made by Thai officers that: No matter what the politicians say, our men in the armies understand each other. Therefore, we shall no more fight each other..." The paper said there is no wish of both peoples that can be higher. We hope that such promise will strictly be kept. The paper concluded saying that the Army and people of Laos shall do all they can to fulfil their part of the promise given to each other by the military delegations. Doing so, peace, and friendship between the two brotherly nations—Laos and Thailand, shall have a chance to prosper and bloom.

Daily Supports Vietnam in Conflict With PRC

BK291037 Vientiane KPL in English
0919 GMT 29 Mar 88

[Text] Vientiane, March 29 (KPL)—Under the title "Settlement of Conflict by Negotiations Is a Civilized Way," PASASON commentary supports Vietnam's stance with regard to territorial conflict between Vietnam and China.

Speaking about the brutal armed provocations triggered by China at the Truong Sa [Spratly] Archipelago in which many innocent Vietnamese lives were lost, the paper says, paying no heed to Vietnam's constructive initiatives, China has stepped up tension in their relations.

The commentary adds to this effect that such activities on the part of China are complete contravention of the growing trend of dialogue in Southeast Asia and the world as a whole. They threaten peace and security and pose serious concern for China's neighbours and all countries bordering the eastern sea.

The paper fully supports the various initiatives of the Socialist Republic of Vietnam particularly the point made by Hanoi that while awaiting the talks, neither side is to resort to the use of force in settling the conflict.

The Lao people demand China reassess its policy with regard to Vietnam so as to successfully solve their bilateral relations by peaceful ways, the paper concludes.

Phoumi Vongvichit Receives Soviet Delegation

BK291049 Vientiane KPL in English
0903 GMT 29 Mar 88

[Text] Vientiane, March 29 (KPL)—Phoumi Vongvichit, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers, acting-president of the Lao PDR and president of the Lao Front for National Construction [LFNC] Central Committee, on March 28 received here a delegation of the Federation of Soviet Associations for Friendship and Cultural Relations [FSAFCR] with other nations led by its deputy-head Ms. Svetlana Ivanovna Chvisova, who is also in charge of East Asian socialist countries.

During the cordial and fraternal talks the guests and the host discussed ways of strengthening general relations of friendship and cooperation between the two countries, particularly the relations and cooperation between the LFNC and the FSAFCR, thus contributing to the building of lasting peace in the region and the world over.

Amity Society Meeting Ends

*BK291050 Vientiane KPL in English 0910 GMT
29 Mar 88*

[Excerpt] Vientiane, March 29 (KPL)—The four-day session of the Lao-Soviet Friendship Association [LSFA] to review its 1987 work was closed here on March 26. Forty delegates representing the LSFA chapters from 12 provinces in the country and 11 collective institutions took part in the session. Present as guests of honour were Thongsavat Yamani, acting-president of the LSFA and vice-chairman of the State Committee for News Agency, Newspaper, Radio and Television, Ms Svetlana Ivanovna Chvisova, vice president of the Federation of Soviet Associations for Friendship and Cultural Relations With Other Nations who is on a current visit here. [passage omitted]

Kaysone Phomvihan Meets Asian Bank President

*BK291045 Vientiane KPL in English 0900 GMT
29 Mar 88*

[Text] Vientiane, March 29 (KPL)—Chairman of the Council of Ministers Kaysone Phomvihan, on March 28 received here President of the Asian Development Bank [ADB] Masao Fujioka and his wife.

The talk proceeded in a good atmosphere during which the chairman highly valued ADB's assistance to Laos for socioeconomic development.

The chairman and his guest discussed various issues relating to more effective cooperation between the ADB and Laos and better use of assistance particularly in the framework of agriculture and forestry on the basis of friendship and mutual interests.

Later, the president of the ADB also paid courtesy visits to Sali Vongkhamsao, vice-chairman of the Council of Ministers and chairman of the State Planning Committee and to Sisavat Keobounphan, mayor of Vientiane.

Philippines

Manglapus Comments on U.S. Bases Issue

Seeks 'At Least \$1 Billion'

*HK290911 Hong Kong AFP in English 0902 GMT
29 Mar 88*

[Text] Manila, March 29 (AFP)—Philippine Foreign Secretary Raul Manglapus said Tuesday the Philippines will be asking Washington for at least one billion dollars in military and economic aid as rent for two military bases after 1989.

Mr. Manglapus heads the Philippine panel that will meet here with U.S. officials from April 5 to review an agreement governing Clark Air Base and Subic Naval Base, the largest U.S. military facilities in Asia.

The Philippines is to receive 180 million dollars a year until 1989 under the bases' agreement that expires in 1991. Compensation for 1990-91 is to be taken up at the coming talks.

"The word billion, not one billion, but the word billion," Mr. Manglapus told reporters when asked what Manila would seek at the talks, but he did not specify whether he meant the two-year period or one billion dollars a year.

Mr. Manglapus had said Monday that the bases could be worth "hundreds of billions of dollars" to Washington but added that Manila was getting too little rent for them.

The bases' future after 1991 will be discussed in separate negotiations on a new treaty, as required by the Philippine Constitution.

Meanwhile, visiting Australian politician John Howard, leader of the opposition Liberal Party, said after calling on Mrs. Aquino Tuesday that he believed the bases had made "a contribution" to regional security.

This contradicted the Philippine position that the bases only served U.S. global strategy.

Says Bases Preserve U.S. Interests

*HK290257 Manila Far East Broadcasting Company
in English 2300 GMT 28 Mar 88*

[Text] Foreign Secretary Raul Manglapus says that the American military bases in the Philippines are designed to preserve U.S. security interests and the Philippines is merely accommodating that strategy. Manglapus said that if (?the series) of U.S. bases for our national defense is, at best, in doubt if all but one of our neighbors refuse to acknowledge the bases' regional utility that there is only one indisputable reason why they are here. [sentence as heard] He added the country has helped the United States save billions of dollars that could have been spent to replace the facilities with additional battle groups and communications establishments. Manglapus spoke before the Philippine Council for Foreign Relations.

Doubts Bases Serve Interests

*HK290935 Manila PHILIPPINE DAILY INQUIRER
in English 29 Mar 88 pp 1,6*

[By Chay O. Florentino]

[Text] American military bases in the country are designed to preserve U.S. security interests and the Philippines is merely accommodating that strategy, Foreign Secretary Raul Manglapus said yesterday in his first major policy speech.

Speaking before the Philippine Council for Foreign Relations, Manglapus said: "If the service of these bases for our national defense is at best in doubt, if all but one

of our neighbors refuse to acknowledge the bases' regional utility, then there is only one indisputable reason why they are here. They are at the center of a 90-year-old U.S. global Strategy and the Philippines is hosting them as an accommodation to that strategy."

By offering that accommodation, Manglapus said, the Philippines has helped save the United States "billions, tens, perhaps hundreds of billions of dollars that would have to be spent to replace the facilities with additional carrier battle groups and communications establishments."

The U.S. global strategy articulated earlier in the century by President Theodore Roosevelt and John O'Sullivan, U.S. Democratic Party publicist in the early 1900s, "have suffered little alteration through the decades," Manglapus said.

Both men interpreted so-called "Manifest Destiny" to mean that right of Americans to possess lands west of the continental United States which were too weak to resist such aggression.

Moves toward greater independence are dampened because of the "powerful shadow of America (which) remains cast over" the Philippines. "Crawling away" from the American shadow seeking U.S. investments but rejecting "paternalism" is a solution "not yet within our reach."

"The long, thick shadow of Subic and Clark stretches over the land and mind of the Filipino," Manglapus said, adding that "if the bases are not there, then the solution will be within our reach."

Located strategically, with responsibilities ranging from "command, control, communications, and intelligence," in areas stretching from the Pacific to Africa, the bases however, are no guarantee to the Philippines own security, Manglapus said.

The defense department has said that the bases are of no use to the threat posed by extremists inside the country. Neither is the Philippines in danger of external attack.

There is also no assurance from provisions of the Mutual Defense Treaty between the Philippines and the US that a retaliation from Washington will come in case of an armed attack by another power on the country.

The Philippines remains "alone" in its exposure to U.S. strategy and regional security in Southeast Asia. Despite claims that countries in the region, including China, are quietly telling the U.S. of their appreciation for its military presence here. Manglapus said: "We cannot act on whispered sympathy."

Manglapus said the Philippines will play its own time, "the Philippine National Interest."

"It is what we shall play during (the review of the bases pact) and during the days of decision in 1991."

He added: "We may even dance to that tune, too, and invite others to dance with us. But we shall never allow a dancing partner to embrace us so tightly that our initiative is stifled and our dignity is lost."

Says ASEAN Must Share Responsibility
HK290931 Manila THE MANILA CHRONICLE
in English 29 Mar 88 pp 1, 7

[By staff member Marites Sison]

[Text] The Philippines has been "left alone" by its Asian neighbors to deal with the issue of the American bases, Foreign Secretary Raul S. Manglapus said yesterday.

In his first major foreign policy speech delivered before the Philippine Council of Foreign Relations, Manglapus also said the United States had been paying the country a measly amount for the bases.

He reiterated that other Southeast Asian countries must share responsibility for the upkeep of these bases.

"We are alone, left alone to deal with a divisive issue whose polarizing impact impairs our drive to stabilize our renewed democracy," Manglapus said.

He said the foreign office agreed with President Aquino that the Philippines was "in no immediate danger of external attacks." And "there is no certainty that the bases will be of help" should the country indeed face an external threat, he explained.

Unlike the U.S. accord with the North Atlantic Treaty Organization, which obliges Washington to take action "in the event of armed attack on an ally, such retaliation is not assured in our mutual defense treaty," he said.

Manglapus stressed that in accommodating the 16 American facilities, the Philippines has enabled Washington to save "billions of dollars" that would have gone "to replacing their facilities with additional carrier battle groups and communication establishments."

In exchange for the use of the bases, the United States has given the country only \$180 million over five years, he said.

The amount is only one-sixth of the \$1.3 billion Washington has given to Greece, Turkey, Portugal and Spain, which have US bases whose functions and capabilities are "individually, rather limited."

Manglapus again hinted that if the Association of Southeast Asian Nations and other countries in the region believed that the bases must stay beyond 1991, they must share the responsibility for their upkeep.

The Philippines "cannot act on whispered sympathy," he said.

He added that while Southeast Asia and China may not be ready to share openly in the political responsibility for the bases here, they had been quietly telling the United Nations of their appreciation for (U.S.) military presence here.

Interviewed by reporters later, Manglapus denied that he was urging countries in the region to reveal their stand on the bases, "It is not our policy to go around asking people. What I'm just saying is that we have to accept that reality and we want the world to know how lonely we are in this accommodation."

Moreover, "it is not valid" to compare U.S. facilities here with others in Europe, Manglapus said. The responsibility of these bases, he said, "are dwarfed by the giant mission of the Philippine facilities, which provides command control, communication and counter-intelligence from the Pacific to Africa."

Manglapus acknowledge that "the powerful shadow of America remains cast over our land just as America remained covered by the shadow of a still powerful and still rising industrializing England" in the early 19th Century.

Unlike America, which solved the problem by allowing investments but doing away with British paternalism, such a solution "is not yet within our reach," Manglapus said.

"The long fixed shadow of Subic and Clark stretches over the land and minds of the Filipinos," he said.

Asked to explain if he meant that we would not be ready for an American withdrawal, he said, "No, if those bases are not there, then the solution will be within our reach."

Manglapus also said:

—The Philippines shall play its own tune with the simple title of the Philippine national interest" in the coming bases review talks and in 1991, when the bases accord expires. "We may even dance to that tune and invite others to dance with us, but we shall never allow a dancing partner to embrace us so tightly that our initiative is stifled and our dignity is lost."

—The review "will not be a useless exercise" because it will correct provisions on criminal jurisdiction, the "unhampered" use of the bases. The application of the constitutional provision on nuclear weapons, "even if good only for three years, will be worth the effort."

Government Said To Have Edge in Bases Talks
HK280905 Manila THE MANILA CHRONICLE
in English 28 Mar 88 p 4

[By Alberto M. Alfaro of Associated Editors]

[Text] All the bargaining chips are stacked up in favor of the Philippines when it renegotiates the bases agreement on April 5.

This is the general consensus of political analysts as Philippine and American negotiators prepare for their third and final review of the agreement that has divided the nation into pro-and anti-bases groups. The question whether the base facilities will be retained or removed will be decided before the agreement runs out in 1991.

The agreement was first reviewed in 1979, when the U.S. agreed, among other things, to "exert its best efforts" to pay the Philippines \$100 million a year in rent, or \$500 million over a five-year period. By mutual agreement, the Philippines regards it as aid because American laws prohibit the payment of rentals to any country. In the second review in 1983, the U.S. agreed to raise the rent to \$180 million a year, or \$900 million over a five-year period.

How the Philippine negotiators will use these aces to advance national interest remains to be seen. Analysts believe America desperately needs the bases, which are a vital link to its global strategy. The Aquino Government, on the other hand, thinks the bases no longer serve to protect the country against external aggression and therefore should be used as a leverage to extract the highest monetary assistance to fuel economic growth.

"The bases are the only real leverage of the new Government and the key left for rapid economic recovery," says Jose Leviste Jr., director of the Philippine Council for Foreign Relations.

Faced with a huge external debt, runaway population growth, lack of funds for the Comprehensive Agrarian reform program [CARP] and slow economic growth, the Philippines needs all the help it can get from the U.S. and other foreign countries. Special relations will have no more place in the coming talks. Instead, enhancement of the national interest will be the sole guide of the Manila panel in dealing with its American counterpart.

A group of Filipino leaders and thinkers who took part in a seminar on foreign relations last year under the auspices of 'SOLIDARITY MAGAZINE' defined national interest as "the common good, having social, political, economic and moral dimensions. it includes preservation of our territorial integrity, national security and economic prosperity."

At a recent news conference, Secretary of Foreign Affairs Raul S. Manglapus indicated what this interest will be. "The U.S. must give us more than we are getting. Anything higher than \$180 million would be realistic and would be seriously considered," he said.

Other peripheral issues that may be discussed include the proposal to pattern the MBA [Military Bases Agreement] after the same base agreements the U.S. has with other countries, prohibit the storage of nuclear weapons in the bases, give priority to Philippine products in the procurement needs of the bases and their personnel and subject all base personnel to the jurisdiction of civil authorities for any misdemeanor like any other tourist.

Proponents of retention argue that although the bases no longer protect the Philippines alone, they still play a key role in the country's economy. The U.S. injects a substantial sum into the Philippine economy every year and an abrupt pullout would cause severe economic shocks to the country, according to Sen. Leticia Shahani, chairman of the Senate Foreign Relations Committee.

The bases employ 42,000 Filipinos (as of December 1985) with a total annual payroll of \$82.8 million, spend more than \$300 million annually in support services and local procurements and an average of \$80 million in economic support fund, which forms part of the rental package.

By assuring the external defense of the country, the bases allow the Government to use scarce resources for vital social services and national development. "Circumstantial evidence seems to support the view that the U.S. presence has a positive economic effect," says UP [University of the Philippines] political scientist Carolina G. Hernandez.

Opposers, on the other hand, say the bases are no longer needed to secure the Philippines from outside aggressors. Leftist analysts say the bases pose a threat to national security and diminish the country's independence and sovereignty. Besides endangering the lives of thousands of people in case of a nuclear accident, the bases serve as a magnet in the event of a nuclear war between the superpowers. Analysts think that the 67,800 hectares being occupied by the bases could be put to better economic use. The nationalists are most bitter about the continued infringement on national independence and sovereignty through subtle American intervention in Philippine internal affairs.

Cautioning against asking too high a price from the U.S., Leviste admits that "the extremely high political costs of the military facilities and the economic needs of the Philippines can no longer be compensated and provided by the United States alone."

Like Manglapus, he suggests that Asian nations benefiting from the security umbrella should share in the cost or even in hosting some of the bases facilities in their own countries.

The United States, along with other countries in the region, appears to be prepared to give in to Philippine demands. U.S. officials and military analysts agreed that there is no viable alternative to the bases. Transferring the bases elsewhere will cost billions of dollars and will remove the bases from their strategic location in the Philippines.

Leviste thinks that a massive economic assistance program involving the U.S., Japan and other Asian countries could help defuse the growing sentiment against retaining the U.S. military facilities in the Philippines. He says such an aid could solve the insurgency and help stabilize regional security.

Some analysts view the bipartisan proposal in the U.S. Congress for a \$10-billion Marshall Plan-type of aid for the Philippines as America's answer to the Philippines' clamor. Under the program, the U.S. along with Japan and other industrialized countries will help fund the program over a five-year period.

Enrile Urges Plebiscite on Bases Issue

*HK280957 Manila Radio Veritas in Tagalog
0700 GMT 28 Mar 88*

[Text] Senator Juan Ponce Enrile has urged the immediate holding of a plebiscite to find out whether the Filipino nation still wants foreign bases to stay in the country or not.

According to Senator Enrile, further studies on the RP [Republic of the Philippines]-U.S. bases treaty would be useless if the Filipino people reject the retention of military bases in the country after 1991.

[Begin Enrile recording] When we started talks on who would represent the country in the bases review in 1976, it took us until 1979 to make a final decision. How much more time will it take for us to decide whether the American military bases should stay or not? So, the people should now be asked whether they want to renew or annul the military bases agreement, and if the people say the military bases should be removed, then so be it. We should do just that and not keep on talking. [end recording]

That was Senator Juan Ponce Enrile on the military bases.

Ramos Against Passage of Antinuclear Bills
HK260903 Manila THE PHILIPPINE STAR
in English 26 Mar 88 pp 1, 8

[Text] Defense Secretary Fidel V. Ramos said yesterday the passage of three nuclear weapons-free bills pending in the Senate would tie the hands of President Aquino in the forthcoming negotiations on the RP [Republic of the Philippines]-U.S. Military Bases Agreement.

Ramos told a joint meeting of the Senate foreign relations and national defense committees that the bills, if passed, would negate the President's position of keeping her options open on the bases issue.

His testimony prompted both Senate committees to restudy their endorsement of a measure consolidating the three bills authored by Sens Wigberto Tanada and Aquilino Pimentel Jr Defense committee chairman Sen Ernesto M. Maceda also offered a compromise to the proposed total nuclear arms ban by suggesting that the government adopt the arrangement between the Spanish government and the U.S. on nuclear weapons in military bases in Spain.

Meanwhile, Foreign Affairs Secretary Raul Manglapus said yesterday the Philippine panel to the up-coming bases talks will insist on the full implementation of the anti-nuclear provision of the Constitution.

Although the executive and the legislative advisory committees have agreed on the fundamental points to strengthen the country's position, Manglapus admitted that a "formula" has yet to be drawn up to ensure that the provisions banning nuclear weapons are respected.

The President should be given enough flexibility in dealing with the United States on the matter of retaining or removing the bases, Ramos stressed.

He said the enactment of the bills would greatly limit U.S. military operations in the Pacific and would reduce the use of the bases only for conventional purposes.

The Senate committees were ready to report out the consolidated bill yesterday. But after Ramos' testimony, they agreed to meet again on Monday to take a vote on the measure. Most committee members, however, appeared still inclined to support the Tanada-Pimentel proposal.

The consolidated bill seeks to impose a total ban on nuclear weapons in the country. It would prohibit the entry into or storage in the Philippines of nuclear arms including those borne by warplanes or vessels.

During yesterday's hearing, Sen Maceda said the government can adopt the arrangement in Spain where berthing or port calls or entry of aircraft and vessels carrying nuclear weapons is allowed but storage of such arms is strictly prohibited.

Ramos supported the Maceda proposal saying it could be a reasonable arrangement.

Sen John H. Osmena shared Ramos' views on the restrictive effects of the passage of the nuclear bills. He wrote the two committees later saying he was casting a negative vote on the consolidated measure.

Passage of the bill would "limit our options in the negotiations on the bases," he told the committees.

"Prudence dictates that we maintain as wide a latitude as possible in dealing with this issue," he stressed.

When asked how the nuclear weapons-free provision will be reconciled with U.S. policy to neither confirm nor deny the presence of nuclear forces, Manglapus said, "It's their problem. Our problem is how to execute the constitutional provision, that is why we are in a negotiation. The position of the Philippines is to support and implement the Constitution."

As the "satisfactory formula" is being studied by the preparatory committee, Manglapus said he is looking forward to progress in the U.S.-Soviet talks which he hopes will lead to disarmament.

The Intermediate Nuclear Forces treaty of the two superpowers calls for the elimination of short-range and intermediate-ballistic missiles but this only covers the European countries. The agreement further allows on-site inspection of the bases to determine whether the armaments are reduced.

Senator Warns U.S. on Legislator Invitations
HK290853 Manila PHILIPPINE DAILY GLOBE
in English 29 Mar 88 p 2

[Text] Sen. Rene Saguisag has advised the U.S. government that it would commit a violation of the Philippine Constitution by inviting Filipino officials for all-expenses-paid visits to America.

In a March 19 letter to the U.S. Embassy in Manila, Saguisag told U.S. officials that the Constitution strictly prohibits government officials—both elected and appointed—from accepting gifts and emoluments from foreign governments.

Saguisag, who heads the Senate committee on ethics, reminded U.S. officials that local officials who accept these gifts and emoluments without the consent of Congress face imprisonment and disqualification from public office.

He said the constitutional provision had been patterned after the U.S. Constitution.

"Please desist from actively subverting our Constitution and endangering the careers of some of our public officials," Saguisag said.

"The intent of your program might be good, at least from your standpoint, but the writing must be done in the right way," he said.

Saguisag wrote the letter after he read a press report that the U.S. government, specifically the State Department, had invited Bulacan Governor Roberto Pagdanganan to an all-expenses-paid visit to key U.S. cities—Los Angeles, San Antonio, Washington, D.C., and New York.

Saguisag said Filipino officials can only go to other countries if they will personally shoulder their expenses.

He told reporters that foreign governments' invitations for all-expenses-paid visits to their countries are intended mainly to influence Filipino officials.

Manglapus Says Separate Base Labor Reviews
HK290827 Manila THE MANILA CHRONICLE
in English 29 Mar 88 p 9

[By staff member Lito Zulueta]

[Text] Foreign Secretary Raul Manglapus said yesterday the Philippines and the United States will hold a separate review of the Bases Labor Agreement (BLA), which governs labor relations in the U.S. military facilities.

Manglapus made the announcement after the Federation of Filipino Civilian Employees Associations (FFCEA) in both Subic and Clark Bases, through its mother labor center, the Trade Union Congress of the Philippines (TUCP), criticized the Government for not naming any labor representative to the coming review of the Military Bases Agreement (MBA).

The TUCP had said that the failure to name any labor representative to the Philippine panel shows the Government's low regard for the 45,000 Filipinos directly or indirectly employed in the two major U.S. bases.

Manglapus denied TUCP's allegation. "Labor is so important to the government that we are holding a separate review of the Bases Labor Agreement," he said.

It was not clear, however, whether the BLA review would be simultaneously held with that of the MBA, as what the FFCEA had demanded in a position paper submitted to Labor Secretary Franklin Drilon two weeks ago.

Manglapus admitted that there had been no date set yet for the review of the BLA.

At the labor department, Drilon announced that Labor Undersecretary Ricardo Castro will head the Philippine panel to the BLA talks.

Castro is chairman of the Philippine panel in the Joint Labor Committee (JLC) which resolves bilateral labor disputes in the bases.

To join Castro, according to Drilon, are Roberto Flores, FFCEA president and the head of the Subic Naval Base workers' union, and Pepito Galang, president of the Clark Air Base workers' union.

Drilon said that the panel may be expanded to include representatives from other government agencies, like the Department of Foreign Affairs.

He said he was supporting the stand of the FFCEA that the review of the BLA should be separately but simultaneously held with the review of the MBA. "We will propose this to Secretary Manglapus," Drilon said, indicating that the date of the BLA review would be settled in time for the start of the MBA review on April 5.

Drilon justified the holding of a separate review for the BLA. "It is not advantageous for the workers for labor to be discussed during the MBA review because of the question of priorities," Drilon said. "The labor aspect may suffer in comparison to other issues."

He warned that labor issues may be sidetracked again, as what happened during the 1976 review of the MBA which culminated in the amended bases' pact in 1979. "Based on previous experiences, once the compensation items are settled, labor issues take a backseat," he explained.

He said that the Government would bat for the application of labor laws "consistent with Philippine sovereignty" during the BLA review, a resurrection of the principal issue when the BLA was reviewed from 1983 to 1985.

Drilon noted that Filipino workers in the bases are neither covered by the Labor Code nor by American labor laws, giving rise to a lopsided employer-employee relationship.

Polarization in Bases' Unions
HK251310 Manila THE MANILA CHRONICLE
in English 25 Mar 88 pp 1, 6

[By Lito Zulueta]

[Text] A wrangling and disparate organized labor is threatened to be further divided by the bases issue.

The threat is so grave that Roberto Flores, president of the federation of workers in both Subic Naval Base and Clark Air Base, foresees a polarization in the trade union movement between those who are for and against the bases would occur by the time the Philippine Government decides for itself whether the facilities should go.

"We will be drumming our drums," warns Flores, who has already staked his claim for the bases. He is backed by the Trade Union Congress of the Philippines (TUCP), to which his federation of some 23,000 members is affiliated.

Arrayed against Flores' federation and the TUCP are the progressive labor centers which comprise the broad coalition Labor Advisory and Consultative Council (Lacc). One of the Lacc members, the Kilusang Mayo Uno [1st May Movement] (KMU), is TUCP's arch-rival, and the bases issue will surely heat up the rivalry between the two juggernaut labor centers.

Flores' unequivocal stand for the retention of the bases is understandable. "Any labor leader in his right mind would opt for the bases," he says, adding that at least 45,000 people are employed in the US facilities as direct hires, contractals and domestic helpers. The annual cost of salaries alone for these workers is in the vicinity of P1.42 billion, he says.

To Flores, more real than any option is the prospect of unemployment. He complains that there is still no "alternative blueprint" on what to do with the bases and their workers once they are abandoned by the Americans.

"The Government should answer the costs of dismantling," he says. "We in the federation will rise up to defend ourselves: This is an issue of the stomach."

Flores charges that the Lacc leaders fall short of the ideal unionist by shutting their eyes to the possible loss of livelihood of those who depend on the bases. He alleged that many of the Lacc leaders are against the bases for ideological reasons.

The TUCP has cast its support to the federation, battling for what it calls as a "modified form of retention."

To the TUCP, retention or non-renewal should be decided by a plebiscite. Once the people have decided for the continued stay of the facilities, the Philippines should pursue for a treaty that will last not more than 10 years. In the new treaty, the U.S. should expressly recognize the full sovereignty of the country over the bases and the full rights of the Filipino employees.

Under the modified retention stand, too, the TUCP demands that the continued stay of the bases should not infringe upon the anti-nuclear provision of the Constitution. The TUCP stand also bats for a maximum of five years of renegotiation, in every year of which the US would be required to reduce its military complement in the bases by as much as 25 percent. Democrito Mendoza, TUCP president, explains the last as a way of providing a bargaining leverage for the Philippines.

As expected, Flores and the TUCP are demanding that the Bases Labor Agreement (BLA) be included in the review of the Military Bases Agreement (MBA) and in the renegotiation. Flores, however, differs from the TUCP stand in asking for Congress to resolve the bases issue, instead of having a plebiscite which, he suspects, can be manipulated especially by the insurgents.

Surprisingly, the Lacc shuns a plebiscite to decide the bases issue, on the suspicion that probases interests may rig its results.

Other than their aversion to plebiscites, Flores and the lacc leaders are light-years apart.

The Lacc, in drafting a legislative agenda last year, calls for the dismantling of the bases and their inclusion in the coverage of the Government's land reform program. Invariably, Lacc leaders have also proposed that the bases be transformed into an industrial sites—a commercial harbor in the case of Subic, and an international airport in the case of Clark.

But the Lacc shuns any definite alternative for the bases. "Unang usapin sa lahat ay sovereignty," [Foremost is sovereignty] points out Crispin Beltran, KMU chairman. "Ang susi ng ating historical subjugation ay ang U.S. bases. [The main reason for our historical subjugation is the U.S. bases.]"

To Beltran, there's nothing wrong with taking an ideological position on the bases. "ano ang masama doon? Ang ideyolohiya ni Bobby (Flores) ay ang ideyolohiya ng imperyalismo, ang sa atin ay liberation from oppression at [What's wrong with that? Bobby (Flores) ideology is liberation from oppression and attainment of complete sovereignty," he explains.

Although basically of the liberal democratic mold, the Lacc leaders cannot be accommodated in the bases. "By the very nature of the bases, the conditions there are ultraconservative," Castro points out.

The protagonists therefore in the battle raging within the trade union movement are pro-bases and anti-bases, U.S. vintage unionists and European style unionists, conservative and liberals.

But the polarization which Flores foresees may not at all matter. To another labor leader, Arsenio Sy of the Kristyanong Alyansa ng Makabayang Obrero (Kamao), Flores' projection is off-tangent. "Dati nang polarized ang labor, dati nang may iba't-ibang views," he declares. [labor has long been polarized and it had been having different views]

Pampanga Governor Criticizes Wages

*HK290315 Quezon City Radyo ng Bayan in Tagalog
0200 GMT 29 Mar 88*

[Text] Pampanga Governor Bren Guiao has accused the Americans of unequal treatment of Filipino workers on their military bases. He said Filipinos are being treated like second-class citizens because they are paid lower wages in Clark and Subic bases. In a speech to the Civilian Employees' Association of Clark Air Base in Angeles City, Guiao called for the early re-negotiation of the U.S. Military Base Agreement so that its labor

provisions could be revised. He said that in other countries which host American bases the local nationals are paid wages and given privileges similar to those given to American employees.

Congress Urged To Probe Malaysia-MNLF History
HK260507 Quezon City Radyo ng Bayan in English
0400 GMT 26 Mar 88

[Text] Congress will find out about the alleged role of the Malaysian Government in the creation of the Moro National Liberation Front. Representative Natalio Beltran, Jr submitted a resolution urging the lower house to probe reports that Malaysia continues to support the political and military arms of the MNLF in Mindanao. Earl Sapilino for the details:

[Begin recording] Beltran based his resolution on an article which appeared in the MANILA BULLETIN on 20 March entitled "Malaysia Started MNLF" written by Chando Moralis. The article stated that Malaysia undertook this measure to stop the Philippines from pursuing its claim over Sabah. The article narrated the account of one Captain Joselino Pito, who was messenger and driver of former Sabah chief minister Tun Datuk Mustapha. Mustapha allegedly helped in creating the Mindanao Independence Movement, which led to the formation of the Moro National Liberation Front. [end recording]

De Villa Names Top Communist Leaders
HK280405 Manila Far East Broadcasting Company
in English 2300 GMT 27 Mar 88

[Text] Armed Forces chief of staff General Renato de Villa has released the names of the country's top communist leaders in line with the government's policy to involve the citizenry in the fight against insurgency. De Villa said that this list of top communist leaders continue to place the country's security in danger.

Among the top Communist Party of the Philippines [CPP]-NDF members who are now the object of a massive military hunt are Benito Tiamzon, alias Domeng; Ben Victoriano, chairman, Control Committee; Rafael Baylosis, alias Lando; Rolly Rolando, secretary general, CPP; Ignacio Kapegsan, alias (Nick-Paul); and (Blas Erwin) who is a central committee member, CPP.

General de Villa said the release of the list was approved by National Defense Secretary Fidel Ramos for publication of an AFP [Armed Forces of the Philippines] circular that revised the existing policy of providing cash rewards to persons other than those connected with the national, provincial, or municipal government or any of its corporate entities who would furnish information and facilitate the capture, neutralization, or surrender of wanted communist leaders in the country.

De Villa also said that any CPP members who voluntarily surrender and assist the government in the arrest and neutralization of their comrades are also entitled to said reward.

Military on Red Alert for NPA Anniversary
HK280540 Quezon City Radyo ng Bayan in Tagalog
0400 GMT 28 Mar 88

[Text] All military and police units in the country have been placed on red alert in anticipation of any activities by the communist rebels, who mark the NPA's 19th founding anniversary tomorrow. All roads to Metro Manila are closely guarded by the Capital Regional Command and Integrated National Police to prevent any attacks.

Meanwhile, PC chief Major General Ramon Montano reported an increase in rebel activities in various parts of Mindanao over the past 2 weeks. Rebel attacks were also reported in Northern Luzon, Bicol, Central Luzon, and Metro Manila, resulting in the death of six policemen, soldiers, and barangay officials last week.

In a related development, Camp Aguinaldo has raised the rewards offered for the capture of top Communist Party of the Philippines [CPP] leaders by 25 percent. Among those on the wanted list are 24 members of the CPP's policy-making Central Committee. The military will put out more names as soon as possible. At present, the CPP Central Committee has 27 members, including Chairman Benito Tiamzon, NPA head Romulo Kintanar, and Secretary General Rafael Baylosisxm

Three CPP Leaders Arrested in Manila Suburb
OW291125 Tokyo KYODO in English 1052 GMT
29 Mar 88

[Text] Manila, March 29 KYODO—The military has captured the alleged secretary general of the outlawed Communist Party of the Philippines [CPP] and two other Central Committee members, a military spokesman announced Tuesday.

Col. Oscar Florendo told reporters the three men were arrested in the town of San Juan east of Manila Monday, on the eve of the 19th anniversary of the New People's Army (NPA), the communist military arm.

The three were identified as Rafael Baylosis, the alleged secretary general of the party, Romulo Kintanar, alleged head of the military commission commanding the NPA, and Benjamin de Vera, a Central Committee member and former chairman of the Southern Philippine Mindanao Commission.

In a separate announcement, Manila area military commander Brig. Gen. Alexander Aguirre did not mention Kintanar but did include the four others who were captured in a predawn raid on a house in the suburb.

Aguirre spoke with reporters at the Malacanang presidential palace after reporting the arrest to President Corazon Aquino.

"She was glad about it," he said.

The arrests followed the bloody attempted assassination of a Metropolitan Manila town mayor and the killing of the brother of a top leftist politician Monday.

The capture is a severe blow against the insurgents and came just a month after 20 other senior communist leaders were arrested in Manila.

Suspected Communist Party Chairman Rodolfo Salas was arrested in Manila in September 1986 and former Central Committee member Juanito Rivera was captured last year.

Salas' alleged successor is believed to be Benito Tiamson, a former student leader of the 1970s.

Malabon Mayor Prospero Oreta survived an ambush by several gunmen Monday, but eight of his bodyguards died in the early morning attack.

Several hours later, Francisco Castro, brother of Jose Castro, a leader of the leftist People's Party, was killed by car-riding gunmen in suburban Quezon.

Aguirre said the Oreta ambush was staged by the Manila-based Alex Boncayao brigade (ABB) of the NPA with the help of "Allies of the CPP (Communist Party of the Philippines)."

The ABB has been blamed by the military for killing some 150 policemen, soldiers and local officials in daring daylight attacks on busy streets of the metropolis.

"The case is solved in so far as what group did it," he said. "What we have to do is to arrest people who have perpetrated it. We are happy to say now that we not only arrested the little Indians who did the killing but the leaders who orchestrated it."

Aguirre earlier said the attack was "a political statement of violence," by the rebels which showed that the insurgents "are really using the tool of violence in order to accelerate or advance their movement."

Aquino 'Satisfied'

HK291121 Manila Manila Broadcasting Company
DZRH in Tagalog 1020 GMT 29 Mar 88

[Text] The president has expressed satisfaction with the military's arrest of six ranking members of the Communist Party of the Philippines [CPP]. This was announced by Capcom [Capital Regional Command] chief Brigadier General Alexander Aguirre in an interview with newsmen a while ago.

The president has just left the Malacanang guesthouse, where she had been briefed by Capcom chief General Aguirre on some details related to the arrest of Rafael Baylosis, secretary general of the Communist Party of the Philippines, and Benjamin de Vera, member of the CPP Central Committee.

In an interview, General Alexander Aguirre made the following clarifications.

[Begin recording in English] [Aguirre] All I wish to say here is that I am confirming it, that we have arrested Mr Rafael Baylosis and Mr Benjamin de Vera, top politburo members, and four others, with numerous documents and computers for the movement. The raid was conducted this morning by virtue of a search warrant somewhere in San Juan, Metro Manila. That is all I can say. This was done jointly by Capcom elements and the Constabulary security group, and more particularly, the Northern Sector Command under Colonel Diaz and the ASUSAR [expansion unknown] under Colonel Delfin.

[Reporter] Can you give us the names again? Baylosis, De Vera?

[Aguirre] Rafael Baylosis and Benjamin de Vera.

[Reporter] What was the reaction of the president, sir?

[Aguirre] Well, of course, she is glad about it because you know, [passage indistinct], and you know the Oreta case. We are very sure that it was done by the Alex Boncayao Brigade and the allies of the CPP-NPA. The case has folded, we know what group did it, and all we have to do is to arrest these people who perpetrated it. We are happy to say now that [words indistinct]. I [Reporter] Can you give the four other names?

[Aguirre] I said I do not have the complete names of the four others. I have to go back to the camp. [passage indistinct] You know what the Alex Boncayao Brigade is. It is just a military arm of the CPP-NPA in Metro Manila. And the CPP-NPA is responsible for the assassination of citizens and all these terrorist activities. So instead of just arresting the men doing the shooting, we arrested the leaders.

[Reporter] So, where are they now?

[Aguirre] They are in the military camp and properly taken care of.

[Reporter] What was the president's reaction?

[Aguirre] Well, she congratulated us because this is a big event. They were terrorizing, they were assassinating, so what should we do? We arrest them. Thank you. [end recording]

That was General Alexander Aguirre's explanation on the arrest of some ranking members of the Communist Party of the Philippines as well as the reaction of the president on the arrest of Rafael Baylosis, secretary general of the CPP, Benjamin de Vera, Central Committee member, and four others.

According to General Aguirre, the CPP leaders are presently detained at a military camp. The arrest took place as the CPP celebrates the 19th anniversary of the founding of the NPA and followed the attempted murder of Malabon mayor Prospero Oreta yesterday.

These are the latest developments connected with the arrests. Ding Sichiongco of Mobile 6 reporting.

Military Blames NPA for Attack on Mayor
HK290529 Hong Kong AFP in English 0505 GMT
29 Mar 88

[Text] Manila, March 29 (AFP)—The military Tuesday said communist guerillas were behind an attack which killed seven aides of a suburban mayor and wounded the official, and said the strike marked a change in rebel tactics.

Sources in the communist underground meanwhile said the wounded mayor, Prospero Oreta, had been listed for liquidation because of his alleged involvement in the murder of a prominent leftwing activist in November.

Brigadier General Alexander Aguirre, the capital's security chief, told a news conference that the Alex Boncayao Brigade (ABB), the Manila assassination force of the communist New People's Army (NPA), was behind Monday's killing.

It was the first time the NPA had used assault rifles, vehicles and a team this large in a daytime operation in the capital. Previous attacks involved three to four persons using handguns and often fleeing on foot.

The attack occurred on the eve of the NPA's 19th anniversary. There were no immediate reports of major disturbances Tuesday amid a full alert of the armed forces nationwide in anticipation of NPA attacks to mark the occasion.

The general said the ambush required "a lot of preparation" and involved stealing the two vans used by the gunmen to travel to and from the ambush site.

An estimated six to eight men armed with M-16 and AK-47 rifles ambushed Mr. Oreta on his way to work in Malabon, a northern coastal suburb.

"There is now a change of tactics. It shows that this is a well-planned operation by them. And this is the first time that they used the vehicles within (the Manila area) for this purpose," Brig. Gen. Aguirre said.

The NPA began assassinating policemen, soldiers and rightist civilians here last year after peace talks with the Corazon Aquino government collapsed. More than 100 people died in this fashion last year.

A spokesman for the ABB said Tuesday they believed Mr. Oreta, now out of danger in a hospital after surgery, had ordered the killing of Lean Alejandro, secretary general of the main open leftwing group, the New Nationalist Alliance (Bayan).

Mr. Alejandro, a Malabon resident, had run unsuccessfully for a congressional seat against Teresa Aquino Oreta, a sister-in-law of the president in the May 1987 elections. Congresswoman Oreta's husband is the first cousin of the mayor. The murder remains unsolved.

NPA Claims Responsibility
HK280253 Hong Kong AFP in English 0238 GMT
28 Mar 88

[Text] Manila, March 28 (AFP)—Unidentified gunmen wounded a suburban Manila mayor and killed seven bodyguards in a road ambush Monday, police and eyewitness reports said.

Mayor Prospero Oreta of Malabon, a fishing port north of the capital, was on his way to work when his car and an escort van were ambushed, they said.

He appeared to be out of danger after undergoing surgery at a local hospital, officials said.

The DZRH radio station said a communist hit squad operating in Manila and suburbs claimed responsibility for the ambush in a telephone call to the Manila police headquarters, but this could not be immediately confirmed by police.

Mr Oreta's family is close to President Corazon Aquino. His first cousin, businessman Antolin Oreta, is married to Congresswoman Teresa Aquino Oreta, sister-in-law of the chief executive.

DZRH, reporting from the scene half an hour after the ambush, said the mayor's car and van were splattered with blood and heavily damaged by gunfire, and the bodies of the slain aides were still in the vehicles.

Armalite rifle and .45 calibre pistol bullets littered the ambush site and the bodyguards were apparently unable to fire back because their side arms were still on their bodies, the radio said.

The ambush occurred on the eve of the 19th anniversary of the communist New People's Army, which has triggered a full military and police alert nationwide in anticipation of guerrilla attacks.

NPA Rebels Kidnap Mayor, Trooper in Ifugao

HK291013 Manila Radio Veritas in Tagalog
0700 GMT 29 Mar 88

[Text] It has been reported that NPA rebels kidnapped a mayor in Ifugao province. For additional details, here is Rey Rodriguez.

[Begin recording] A mayor and a PC Sergeant have been kidnapped by the NPA in Ifugao. This was stated in a report from Regional Command 1 received by Camp Aguinaldo this morning. The report said that a group of unidentified armed men kidnapped Mayor Cesar Rafael of (Parasedes), Ifugao, and Staff Sergeant Sergio Ague-lang of 138 PC Company at about 2200 last Sunday, 27 March.

According to witnesses, the victims were tied up and taken to an unknown destination. The witnesses also said that the abductors were demanding guns and ransom money for the victims' freedom.

In a related report, Assemblyman Prospero Bello, reported kidnapped by the NPA in January last year, was allegedly set free. Bello was kidnapped by a NPA group in barangay San Sebastian, Jones, Isabela for unknown reasons. Bello reached his home in Central Jones after he was set free at 1730 last Sunday. Bello was accompanied by municipal officials, the report added. (end recording)

NPA Vows 'More Revolutionary Deeds'

HK290815 Manila PHILIPPINE DAILY GLOBE
in English 29 Mar 88 p 2

[By staff writer Julius Fortuna]

[Text] The Communist Party-led New People's Army celebrates today its anniversary with a promise to have "more revolutionary deeds" in its 20th year, an NPA insider said recently.

In line with its tradition, NPA regulars and militias, under the supervision of CPP [Communist Party of the Philippines] guardians, will hold anniversary meetings in rural and urban sanctuaries, to "sum up and exchange experiences."

Among the items to be discussed in these meetings, according to this insider, are the experiences in the 19-year combat with the Armed Forces of the Philippines.

According to this insider, the NPA has passed through difficult stages, the most critical of which was in the early seventies when the NPA regular forces then based in the forest region of Cagayan Valley was isolated from the central political leadership.

"It was a difficult period," he said. "We had to undertake a long march from Isabela, where the troops of Admiral Paranis were pressuring us, to Aurora province."

From Aurora province, the guerrillas had to disperse to other parts of the archipelago to support the inchoate forces set up by cadres earlier deployed for expansion.

By mid-seventies, the NPA could already boast of having organized a number of fighting fronts in the Cordilleras, Samar, and Mindanao.

Before Marcos departure in 1986, Party spokesmen were already talking of entering the "threshold of the advanced stage of the strategic defensive."

The evidence of this, according to the NPA spokesman, is the capability of the NPA to engage the AFP forces in combat involving battalion strength. Generally, however, NPA fights normally in smaller groups with operations not lasting 30 minutes.

As of today, figures on the actual strength of the NPA vary. The AFP [Armed Forces of the Philippines] places the NPA strength at 25,000 with 16,000 rifles. But the NPA claims a total of 7,000 regular forces with automatic rifles and tens of thousands of local guerrillas with non-automatic rifles.

Negros-CPP Policy Differences Revealed

HK290943 Manila MANILA BULLETIN in English
29 Mar 88 pp 1, 17

[by Carla P. Gomez]

[Text] Bacolod City (Interco Press)—Attacks against civilians, the police, and the military, unreasonable taxation, as well as divergent attitudes towards the Aquino government, human rights, ceasefire, sabotage, and propaganda were among the factors that triggered the resignation of members of the Communist Party of the Philippines on Negros island.

These issues caused intensified debates within the rebel ranks, according to one of the resignees who asked that his name be withheld.

The in-fighting within the CPP [Communist Party of the Philippines]-New People's Army "resulted in the resignation of many leading cadres and members, among them Kumander [Commander] Iko (Nemesio Demafiles), leader of the rebels in Negros, and Napoleon Dojillo, a National Democratic Front press relations officer during the ceasefire period," the resignee said.

But the resignations were not accepted by the Negros communist hierarchy, the source said. Instead those who submitted then were expelled and a campaign launched against them, branding them collaborationist, capitulationist, reformist, and surrenderers."

The resignee said they are very sad and disappointed about the way their former comrades handled their dissent because they had disagreed with the CPP policies.

"We had no other alternative but to halt and pursue the struggle in our own way," he said.

The issues that led to their resignations, were listed as the following.

The Aquino government, the CPP believes it to be a fascist dictatorship worse than the Marcos regime; that liberal policies are just deceptions and that it is still a United States partner for which the CPP policy recommends outright rejection and all-out war.

The resignees, on the other hand, believe that the present government is essentially bourgeoisie-liberal democratic, that it has made concessions as well as opposition to the U.S. dictation and is not an all-out puppet.

The armed struggle. The CPP believes in including all military units, the police force, and individual members of the Armed Forces of the Philippines as targets. The resignee believe that the military operations should be highly selective and focused on pinpointed people's enemies.

The ceasefire negotiation. The CPP believed in outright withdrawal and rejection, while the resignee were for extension and giving the peace negotiation a chance.

Human rights violations. The CPP believes that only the Armed Forces of the Philippines [AFP] commits human rights violations, while the resignees feel that both are guilty and that the international human rights and war laws should be observed.

Taxation. The CPP imposes taxes on land-owners and businessmen regardless of their political stand. The resignees believe that taxation should be a conscious obligation of the constituents because they believe something has been done for them and taxes collected should be used for social services, and in areas where their political authority is duly recognized.

Sabotage. The CPP targets are power lines, bridges, government infrastructure, and multi-national corporations. The resignees believe that targets should only be those that cause damage to life, livelihood, and ecology, and those overwhelmingly opposed to the popular movement of the people.

The Constitution plebiscite. The CPP was for outright rejection, saying that it perpetuates the semi-feudal and semi-colonial exploitation.

Congressional elections. the CPP viewed the election as a scheme of the ruling class to consolidate itself, and the party's policy was to boycott and sabotage the process;

participation was done mainly for propaganda. the resignees on the other hand believed that elections now are a popular political arena for the advancement of the entire liberation movement.

Propaganda. The CPP methods are stereotyped, based on sloganeering, invariably mentioning the U.S.-Aquino regime. the resignees believe that propaganda of any form must be objective and partisan to truth.

Popular democracy. The CPP views it as collaborationist and counter revolutionary. The resignees believe in it as a pragmatic approach.

The Negros mode of production. The CPP believes it is semi-feudal. The resignees consider sugarcane production essentially capitalist.

Strategy and tactics. Protracted people's war and surrounding cities from the countryside, which is copied from Mao's 1940s China revolution, is the CPP strategy. The resignees, considering the Philippine historical economic, and cultural context, are for a popular insurrectionary strategy, giving prominence to the urban mass movement, with workers and peasants as the main force.

NPA Said Near 'Stalemate' With Government
HK281331 Hong Kong AFP in English 1301 GMT
28 Mar 88

[Text] Manila, March 28 (AFP)—Suspected communist guerrillas killed seven of a mayor's bodyguards and wounded the official in an ambush Monday as the military went on full alert on the eve of the rebels' 19th anniversary, police said.

In another incident, unidentified gunmen shot dead the younger brother of a prominent left-wing politician, who said the bullets could have been intended for him.

President Corazon Aquino condemned the carnage, saying in a statement "I am shocked and saddened by these acts of violence."

Prospero Oreta, mayor of Malabon, a fishing port north of the capital, was on his way to work when his car and an escort van were ambushed by six to eight gunmen riding in two vans, police said.

The mayor's eight bodyguards were unable to fire back and seven of them were killed, they added. Mr. Oreta and the surviving bodyguard underwent surgery and police said the guard was in critical condition.

Callers claiming to be members of a communist New People's Army (NPA) assassination squad here claimed responsibility for the ambush, but authorities were not ruling out other suspects, armed forces spokesman Colonel Oscar Florendo said in a radio broadcast.

Sources close to the NPA told AGENCE FRANCE-PRESSE the rebels had targetted the mayor for death, but could not immediately confirm whether they were responsible for the attack.

The Oreta family is close to Mrs. Aquino. A first cousin of the mayor is married to congresswoman Teresa Aquino Oreta, a sister-in-law of the president. About seven hours after the Malabon shooting, Francisco Castro was ambushed and killed in the Manila suburb of Quezon City while driving the car of his older brother Jose Castro, an official of the leftwing People's Party, police said.

"It is very possible that those bullets that shattered the face of my brother may have been intended for me," Mr. Castro told reporters, saying he had no immediate suspicions as to the identity of the assailants.

The owner of a bus company who allegedly refused to pay "revolutionary taxes" to the NPA was shot dead in a similar ambush in another suburb, Pasay, as he was driving to mass on Sunday, the MANILA BULLETIN newspaper said Monday.

The attacks occurred on the eve of the NPA's 19th anniversary Tuesday, which has triggered a military and police alert nationwide in anticipation of guerrilla attacks in cities and rural areas.

The 25,000-member NPA killed more than 100 soldiers, policemen and civilians in Manila last year, but has scaled down its attacks this year after adverse popular reaction to last year's attacks.

The rebellion was "entering the threshold of the strategic stalemate" with government forces and the communists were set to proclaim provisional revolutionary governments in three regions within the year, a spokesman for the NPA-allied Christians for National Liberation (CNL) told reporters in a clandestine interview outside Manila Monday.

Washington, which maintains two vital military bases in the Philippines, has pledged continued arms and financial aid to Manila to fight the NPA, seen largely as an indigenous movement, although this year the rebels for the first time openly called for material support from foreign governments.

The provisional governments would compete directly with the existing government and would have their own armed forces, said CNL spokesman Roman Catholic Father Brendan Cruz.

The CNL has invited the more than 100 bishops and major superiors of different Catholic denominations in the Philippines to visit areas controlled by the National Democratic Front, a communist-led leftwing umbrella group, to "see the level of revolutionary achievement there," he said.

Rise in Insurgency-Related Violence Reported
HK280935 Manila BUSINESS WORLD in English
28 Mar 88 p 11

[By Gertrude M. Chavez]

[Text] Is Government winning or losing in its anti-insurgency campaign?

A study conducted by the Department of National Defense (DND) showed a higher incidence of communist terrorism-related violence per day for the first two months of 1988 compared to the average number of incidents for 1987 and even 1986.

The growth in violence was primarily attributed to the conduct of the Jan. 18 local elections when the CPP [Communist Party of the Philippines]/NPA took advantage of the situation to influence the result of the political exercise.

The average number of fatalities per day of AFP [Armed Forces of the Philippines] troopers, civilians and communist terrorists for the first two months of the year was roughly equal to that for 1987.

Although there was a noted increase in the average number of incidents during the campaign and election period for the local elections, these incidents did not, however, result in fatalities.

For the period Jan. 1 to Feb. 29 this year, the insurgents raided 27 government installations consisting of four municipal halls, six Integrated National Police (INP) stations, nine AFP detachments and eight Civilian Home Defense Force (CHDF) outposts. For the same period last year, only 24 raids were recorded.

The most significant of these raids was the Feb. 28 raid on the 336th Philippine Constabulary Co. in Negros Oriental which resulted in the death of nine communist rebels and five government troopers. Most of the raids on government installations occurred in Region II with 10 incidents and in Regions I, III, and V with three incidents each.

The monthly average number of incidents per day had three most notable peaks: May 1987, September 1987, and January 1988. The increases in the average number of communist terrorist-related incidents were always accompanied by increases in the average number of fatalities per day.

The May 1987 and January 1988 increases in the average number of incidents per day coincided with the senatorial and local elections, respectively. This reflected the exploitation of the political exercises by the insurgent groups.

On the other hand, the rise in violent incidents in September 1987 was traced to the aftermath of the Aug. 28 coup. During this time, the AFP shifted its focus from the Leftist to the Rightist threat in defense of Metro Manila as the seat of power.

Likewise significant was the sudden rise in the average number of incidents from January to February 1987. This may be attributed to the fact that the ceasefire was terminated in February 1987. This literally marked the resumption of hostilities between Government forces and the communist rebels. January 1987 was the tailend of the ceasefire period.

In terms of regional distribution, Regions VI, V, and II, in that order, had the highest number of incidents per day for the first two months of 1988. While Regions II, V and VI recorded the highest number of fatalities for the same period. This indicated that there was a shift in communist activities from Mindanao to Luzon, nearer the seat of power.

Former Rebel Group 'Revitalized' To Fight NPA
HK280929 Manila THE MANILA CHRONICLE
in English 28 Mar 88 p 7

[Text] The Hukbong Mapagpalaya ng Bayan [Freedom Fighters of the Nation] (HMB) has been revitalized to fight the New People's Army (NPA), top HMB leader, Bon Alejandrino, disclosed in San Ildefonso, Bulacan last Saturday.

The HMB leader, surrounded by about 20 heavily armed HMBs, denounced the NPA, which he claimed was exacting financial and material contributions from peaceful residents and businessmen. "We do not collect taxes from the people, although we accept voluntary contributions for our subsistence and armaments, he said.

The HMBs have been operating in several places in Central Luzon and parts of Mindanao but they never had any encounter with the NPA or the military.

Alejandrino recalled that the new HMB was revitalized with only about 36 members in 1981 then under Ernesto Dimalanta. The HMB was at its height in Central Luzon in the 50s and 60s under Faustino del Mundo, alias Commander Sumulong.

Sumulong was captured in Angeles City shortly after the declaration of martial law in 1972. But even before Sumulong's capture, some of his followers split and organized the NPA under Bernabe Buscayno, alias Commander Dante.

Alejandrino said that the new HMB has grown considerably but he declined to divulge their exact number.

Alejandrino said that HMBs under the leadership of Sumulong and the present composition of the NPA now were almost similar in their operations and activities of exacting revolutionary taxes from the people.

According to Alejandrino, the new HMB has converted Candaba town into its "stronghold."

Cardinal Sin on Violence, Land Reform
HK291209 Manila Radio Veritas in Tagalog
1000 GMT 29 Mar 88

[Text:] The Archbishop of Manila, his Eminence Jaime Cardinal Sin, has strongly condemned the recent spate of violence in metro Manila.

[Begin Sin recording in English] Violence begets violence, and we are condemning people who just kill anybody because of selfish motives. We should, as a people, respect the lives of our neighbors. If you are an enemy, our Lord himself said in the gospel: Pray for your enemies, do good to those that persecute you, and love those that hate you. [end recording]

Meanwhile, regarding the Comprehensive Agrarian Reform Program [CARP] issue, he stressed that it is high time for the entire Philippine nation to support the CARP bill, which authentically favors the welfare of the farmers.

[Begin Sin recording in English] We have to show our force by trying to favor farmers. That this is also a prerogative to be able to tell our congressmen that this is what the church is really advocating, the bill that would really favor the landless and the tiller. And so, it is not time for us to make a decision now because they are still discussing. I hope they will already stop discussing and make a sort of a definite stand, because this is what I call the paralysis of analysis. [end recording]

Catholics Launching Drive Against Communists
HK290947 Manila MANILA BULLETIN in English
29 Mar 88 pp 6, 13

[From column by Jesus Bigornia: "Time To Stop Ram-paging Terrorists"]

[Text] Taking their cue from Cardinal Sin's interdiction of rebel-destined assistance through Catholic church channels, lay Catholic groups have launched a country-wide campaign to denounce clerics' ties with the Communist Party of the Philippines. Typical is "a statement of concern" by Davao City Catholic laymen "over the use of the Catholic church by the communists" reproduced as follows:

"During the Marco's dictatorship, many idealistic young nuns, priests, seminarians, even bishops, were lured into the underground Catholic Church grouping—Christians for National Liberation—an affiliate of the National Democratic Front, the united front tactical alliance

organization of the Communist Party of the Philippines. The call for justice, the struggle for freedom, the longing for peace, the cry for redress of grievances, these were the alluring baits which hooked the idealistic priests, nuns and bishops, to join the Communist Party of the Philippines.

"But behind the morally righteous facade of the recruiters for the communists, lurks their real motive and intention—the dominance over the Filipino people by the Communist Party of the Philippines. The hard and brutal determination of the communists to achieve full control of the revolutionary movement led to the killing of many idealistic young revolutionaries who refused or who merely questioned the dictates of the Communist Party of the Philippines.

"The signs of the time point to the people's disillusionment with the means, methods and practices employed by the military leadership of the Communist Party of the Philippines—murders, extortions, and the cynical use of issues, individuals and institutions. Many Catholic laymen have abandoned the Catholic Church disillusioned by the sermons and activities of the religious who have become the tools of the communists.

"The nuns, priests and bishops belonging to the Communist Party of the Philippines no longer deserve our faith. We Catholic laymen resolve for continuing vigilance to stop the use of the Catholic Church by religious cohorts and the minions of the communist Party of the Philippines."

Embassy in Jordan Rejects ICO Resolution

*HK281047 Quezon City Radyo ng Bayan in Tagalog
1000 GMT 28 Mar 88*

[Text] The Philippine Embassy in Jordan has rejected an Islamic Conference Organization [ICO] resolution criticizing the Philippine Government for not granting autonomy to Muslims in Mindanao. According to Ambassador Juan Saez, he rejected the resolution on the grounds that the failure to grant autonomy in 13 provinces in Mindanao should not be blamed on the government, but on the collapse of negotiations.

Meanwhile, ICO foreign ministers expressed disappointment over the Philippines' failure to implement the Tripoli Agreement.

MILF Warns of Renewed War in Mindanao

*HK281209 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 28 Mar 88*

[Text] The Moro Islamic Liberation Front [MILF] has warned of renewed war in Mindanao. It was reported that MILF chairman Salamat Hashim has issued an order to his men to get ready to fight against the Aquino government. A GMA News team was given permission to visit the MILF camp in Sultan Kudarat, Maguindanao. According to vice chairman Al-Hadj Murad, the

Aquino government had insisted on being included in the Tripoli Agreement [as heard], and it also pushed through with the formation of the Regional Consultative Commission.

Murad stressed that neither the government nor the Muslim rebels can insist on their own interpretations of autonomy. He said that negotiations should continue before any law is passed regarding Mindanao autonomy.

[Begin Murad recording in English in progress] ...implementing their own interpretation. It cannot also be solved by us, implementing our own ideas of the autonomy. [end recording]

The MILF vice chairman has warned that they will be forced to revolt if there are signs that the Aquino government is out to deceive them.

MNLF Said Preparing Attacks on Christians

*HK270428 Baguio City Mountain Province
Broadcasting Company in English 0400 GMT
27 Mar 88*

[Text] Southern Command Chief Major General Cesar Tapia says the Muslim soldiers of the MNLF have moved from their bases into at least eight provinces to prepare attacks on Christian population centers. Tapia said the latest strategy of the MNLF is to bring the war from the predominantly Muslim province of Sulu into Christian towns and cities in Mindanao. He said the big bulk of the MNLF forces is no longer in Sulu Province but is now scattered in the mainland of Mindanao.

Columnist on Honasan's Letter to Aquino

*HK290849 Manila PHILIPPINE DAILY GLOBE
in English 29 Mar 88 p 4*

["Turn of Events" column by Francisco S. Tatad: "A Letter from Gringo"]

[Text] As we enter Holy Week, let us think of those who stood with us yesterday and now lie in prison awaiting justice and deliverance. I am drawn especially to Col. "Gringo" Honasan and his colleagues who have not hesitated to pay the price for their idealism.

Gringo turned 40 aboard his prison ship last March 15. His boon companion Lt. Col. Eduardo "Red" Kapunan (under "house arrest") also turned 40 a week earlier. They are at the height of their idealism and their prime. What a pity that they should be detained at a time when the nation could be using their remarkable talents. Of course, there's the August 28, 1987 "incident," and for Mrs. Aquino it is no small matter. But can there never be any forgiving and forgetting?

Mrs. Aquino did meet with Gringo's mother and his wife Jane and promised to see what could be done. Time has passed but nothing has happened since. He has not been allowed to see the media and only once was he allowed to

leave his prison ship on pass—to pay his last respects to his dead grandmother. Last week Jane asked the authorities to allow him to attend their two sons' high school graduation. The request fell on deaf ears.

Now he has written a letter asking the President to do something about his situation. He sounds like the lae Ninoy Aquinolwriting from inside his martial law jail. Listen.

"Along with many officers and men of the Armed Forces of the Philippines now under military custody, I am the subject of a military investigation preparatory to a trial by a General Court-Martial in connection with the August 28, 1987 incident. My lawyers have informed me that the pre-trial body in Fort Bonifacio has given me until this week only to submit my legal defense on the charges.

"Even as the investigation is still in progress, in fact, ever since August 28, 1987, my co-officers and soldiers and I have already been prejudged guilty. On that day, no less than you, Madam president, called us 'traitors' who 'gunned down innocent civilians.' For us, you vowed 'no terms.'

"The then Chief of Staff, now Defense Secretary Gen. Fidel Ramos, branded me a 'traitor' and 'a big liar' who lied to (my) officers,...lied to (my) men, and...lied to (my) country.'

"It is basic in any system of justice that no man shall be deprived of his life or liberty without due process of law. As I understand it, due process of law means fair trial and impartial judges. In all candor, Madam President, I do not expect to get a fair hearing from a court-martial body whose members are to be appointed by the very persons who had publicly prejudged me and declayed me guilty even before facts have been completely presented and legal charges properly filed. Under the prevailing state of facts, it has become difficult for me to repose confidence in the capacity of a General Court-Martial, which has always been subject to varying degrees of 'command influence' and whose members are in the executive chain of command, to impartially pass judgment on my case.

"I am, therefore, respectfully requesting the President to waive court-martial jurisdiction over the officers and men who are being held accountable for the August 28, 1987 incident, and direct that the case be tried by the proper civil courts, after a special, independent investigating body (composed of civilians of known probity, integrity and objectivity) shall have found the existence of probable cause.

"My request is ot unique, for it has been done before. Former President Ferdinand Marcos waived court-martial proceedings against the members of the military in the Aquino-Galman murder case and created the Agrava Fact-Finding Commission. Likewise, early last year,

Your Excellency formed a special civilian body to investigate the so-called Mendiola massacre. There are similar precedents abroad. President Lyndon Johnson of the US created the Warren Commission to investigate the Kennedy assassination. The Israeli Cabinet appointed an independet civilian commission to investigate the massacre of Palestinians allegedly perpetrated by Israeli soldiers.

"In the interest of due process and fair play, and in the spirit of consistent and uniform application of law and justice, I am hopeful that you will find my request meritorious."

In the spirit of the season, in the name of true reconciliation, I hope he gets what he's asking for.

De Villa Names New Military Appointments

HK260933 Manila MANILA BULLETIN in English
26 Mar 88 pp 1, 20

[By Wilma N. Yamzon]

[Text] Gen. Renato de Villa, Armed Forces chief of staff named yesterday the new heads of three branches of the Armed Forces of the Philippines (AFP) and six major service commands, signaling big changes that will take place in the military organization next month.

De Villa named Brig. Gen. Mariano Adalem as commanding general of the Philippine Army, Brig. Gen. Jose de Leon Jr as commanding general of the Philippine Air Force (PAF), and Commo. Carlito Y. Cunanan as flag-officer-in-command of the Philippine Navy.

Outgoing PAF chief Maj. Gen. Antonio Sotelo was promoted to AFP vice chief of staff, replacing Lt. Gen. Eduardo Ermita. Navy Commo. Emerson Tangan was named deputy chief of staff, replacing Commo. Serapio Taccad.

Other designated officers were:

Brig. Gen. Manuel Cacanando as acting commanding general of Southern Command; Brig. Gen. Bayani Fabric, acting commanding general of Northern Luzon Command; Brig. Gen. Alejandro Galido as acting commanding general of Southern Luzon Command (Solcom);

Brig. Gen. Jesus Hermosa as acting commanding general of Visayas Command; Brig. Gen. Andrew R. Francisco as acting superintendent of the Philippine Military Academy, replacing Commo. Rogelio Dayan; Brig. Gen. Eduardo Cabanlig as acting h commandant of Command and General Staff College; and Brig. Gen. Buenaventura Tabo as acting commanding general of Logistics.

At the same time, De Villa announced the approval of the retirement of 35 line officers by President Aquino who is the commander-in-chief of the AFP.

The officers, concurrently handling various commands, are due to retire on April 1. They all belong to the Philippine Military Academy Class '57.

De Villa said the "changing of guards" will involve 64 positions in the high command being given to generals and senior colonels.

Eighteen key positions are at stake in the Philippine Army, 13 in the Philippine Constabulary, seven in the Philippine Air Force, and eight in the Philippine Navy. Eighteen officers will also be assigned with the General Headquarters at Camp Aguinaldo.

"The AFP is undertaking the initial phase in the military's reorganization program following the phasing out of the Regional Unified Commands (RUCs)," he said.

De Villa said the remaining line officers will be announced in two days by their respective commands, adding that more changes will follow as soon as the AFP has established all the Area Unified Commands (AUCs).

He said the consolidation of the Regional Unified Commands (RUCs) into AUCs will further streamline military command and control as well as simplify administration without reducing combat effectiveness in the fields.

The AUC will cover two or more regions which were formerly under RUCs. The AUC commanders will take direct order from the AFP chief of staff.

He said the Southern Luzon Command (Solcom) covers Regions 4 and 5; Northern Luzon Command (Nolcom), Region 1 and 2; Southern Command (Southcom); Regions 9, 10, 11, and 12; and Visayas Command, Regions 3, 6, 7, and 8. The National Capital Region Defense Command remains unchanged, he added.

Military Chiefs Named

HK290831 Manila THE MANILA CHRONICLE
in English 29 Mar 88 p 6

[by staffmember Manny Mogato]

[Text] Camp Aguinaldo yesterday named six senior field commanders to sensitive and key positions in the Army and Navy in a continuing shakeup in the Armed Forces.

Camp Aguinaldo said five of the senior officers will be designated as Army division chiefs while the lone naval officer will be named to an important branch of the Navy.

Armed Forces Chief of Staff Gen. Renato S. de Villa said it will take two more weeks to complete the AFP [Armed Forces of the Philippines] reorganization, which was

triggered by the abolition of the regional unified commands and the retirement of 35 senior generals, three senior colonels and two Navy captains on Good Friday, April 3.

De Villa said 64 positions will be filled up by senior officers belonging mostly from the Philippine Military Academy Classes 1958, 1959 and 1960.

Designated as Army division chiefs were:

—Brig. Gen. Gumerindo Yap for the First Army Division based in Pagadian City, Zamboanga del Sur.

—Brig. Gen. Raul Aquino for the Second Army Division based in Camp Capinpin in Tanay, Rizal.

—Brig. Gen. Renato Palma for the Third Army division based in Calinog, Iloilo.

—Col. Rogelio Villanueva for the Fourth Army division based in Cagayan de Oro City.

—Brig. Gen. Manuel Dizon for the Fifth Army division chief based in Echague, Isabela.

Yap replaced Brig. Gen. Buenaventura Tabo, who was named commanding general of the AFP logistics command in Camp Aguinaldo.

Aquino replaced Brig. Gen. Alejandro Galido who was named Southern Luzon command chief, vice Brig. Gen. Antonio Samonte who is retiring on Good Friday.

Palma will take over Brig. Gen. Dalmacio Pizana's position. Pizana is also retiring. Villanueva replaced Brig. Gen. Mariano Adalem who was promoted as Army chief while Dizon took over Brig. Gen. Manuel Cacanando's post.

Cacanando assumed command for the Southern Command from Maj. Gen. Cesar Tapia who is also retiring.

In the Navy, Commodore Pio Garrido will take over as commandant of the Philippine Coast Guard. He replaced Commodore Carlito Cunanan who was promoted as flag officer-in-command of the Navy.

Constabulary Announces Command Reorganization

HK280921 Manila PHILIPPINE DAILY INQUIRER
in English 28 Mar 88 pp 1,10

[Dave Veridiano]

[Text] The Constabulary command has been reorganized with nine senior colonels named to positions formerly occupied by generals due to retire this week.

Maj. Gen. Ramon Montano, PC chief, announced the shake-up yesterday after attending a series of turn-over ceremonies in regional commands late last week.

The PC reorganization came a few days after the Armed Forces high command announced the scheduled retirement of 35 remaining members of Class 1957 of the Philippine Military Academy [PMA] who will have

served out their tour of duty on Friday. Twelve star-rank officers were named to the AFP [Armed Forces of the Philippines]'s top level positions.

The new assignments of top PC officers include:

—Brig. Gen. Orlando Antonio as PC commander of Ilocos region.

—Brig. gen. Benjamin Dizon as PC commander of Southern Tagalog.

—Brig. Gen. Romeo Zulueta as PC commander of Western Visayas.

—Col. Evaristo Carino as commanding officer of the Criminal Investigation Service (CIS) replacing Zulueta.

—Col. Manuel Bruan as the commander of the Constabulary Highway Patrol Group (CHPG) replacing Dizon.

—Col. Adam Jimenez as PC commander of Western Mindanao.

—Col. Triumfo Agustin as PC commander of Northern Mindanao.

1Col. [as published] Miguel Abaya as PC commander of Southern Mindanao.

1Col. [as published] Jose Halcon as PC commander of Central Mindanao.

—Col. Benjamin Aguilar as PC operations chief (C-3) in place of Agustin;

—Col. Manuel Lopez as PC training and education chief (C-7); and

—Col. Laurel Valdez as PC comptroller (C-6).

The military said "more movements" of AFP officers are expected to take place once the abolition of the remaining regional unified commands (RUCs) has been totally implemented and the military has been reorganized into five major commands—Northern Luzon, Southern Luzon, Visayas, Western Philippines and Southern Philippines.

"All the remaining regional unified commands will be phased out in due time," said Gen. Renato de Villa Armed Forces Chief. "Other changes will follow as soon as we have established the area commands."

De Villa said the present AFP reorganization "add to the military's capability to fight insurgency."

De Villa also said these changes in the AFP structure are being made "to streamline the organization, remove the fat from the headquarters and bring it down to the fighting units, reduce so many headquarters in the field and provide for a faster flow of command and control processes."

The shakeup in the military came in the wake of speeches made by President Aquino during the graduation ceremonies of the PMA [Philippine Military Academy] and the 81st anniversary celebration of the Armed Forces.

At the PMA graduation, Ms. Aquino called on the military go go back to the basics; stay out of politics and get back to the business of fighting. During the AFP

anniversary celebration she ordered the abolition of the regional unified commands to trim the fat off the military and do away with the cumbersome layers of commands in the armed forces.

Thailand

Government Stand on Lintel Issue Softened

BK290129 Bangkok THE NATION in English
29 Mar 88 pp 1, 3

[Text] Thailand yesterday softened its policy in another attempt to secure the return of the Narai Bantomsin lintel from the Chicago Art Institute.

A Thai working committee on the lintel affair yesterday considered the Chicago institute's conditions and agreed to lend the institute an ancient stone artifact for display over a period of five years, said the committee spokesman.

The artifact will be of equal historical and aesthetic value as the lintel, currently on display at the institute.

MP Chulin Laksanawisit said after the five-year period, Thailand may extend the term or offer another art object in its place for display at the museum.

An official letter, signed by Education Minister Marut Bunnak, will be telefaxed today to inform the Chicago institute committee of the Thai proposal, he said.

Such an offer could be considered a compromise in the attempt to get back a piece of Thai history. [as published] Thailand had earlier rejected the institute's proposal to be given a similar ancient object as a gift of appreciation for the sculpture's return.

Fine Arts Director General Thawisak Senanarong repeatedly confirmed that an ancient artifact cannot be given away in direct exchange for a rightful Thai property.

But Thawisak, a member of the committee, yesterday said the object offered will probably be one of the stone lintels or sculptures currently kept at the Phimai Museum in Nakhon Ratchasima province.

The pink sandstone lintel, missing from the Phanom Rung Temple since the early 1960s, is currently on display at the Chicago museum. Officials there have pressed for a similar artifact in exchange for the lintel. The museum at Phimai houses Khmer artifacts from approximately the same period as the Phanom Rung Temple.

Thawisak said Prof M.C. Suphattharadit Ditsakun, a well-known Thai archaeologist, will be asked to evaluate and choose from the proposed artifacts.

He said Thailand in a few days will send the institute three pictures of stone sculptures, from which it can select a piece in return for the 800-year-old pink sandstone lintel of the Phanom Rung Temple in the north-eastern province of Buri Ram.

Thawisak said the new proposal to the Chicago museum is not an unusual case. Thailand last year lent 155 Bangkok museum art objects to Japan for an eight-month long exhibition, on the condition that every piece be insured against damage and robbery. All objects were returned to Thailand early this month, he said.

A nine-member committee was set up March 17 to work with the Chicago committee until the historical lintel is returned to Thailand.

The committee, chaired by Deputy Education Minister Mana Rattanakoset, includes Thawisak, Churin, Secretary to the Minister Narong Nunthong, Deputy Fine Arts Director General Kunlasap Ketmankit, Archaeology Division chief Nikhom Musikakhama, MP Yut Angkinan and MP Phonthep Techaphaibun.

The Chicago committee consists of Marshall Field, president of the Board of Trustees; Charles C. Haffner, trustee on Oriental and Classical art; James N. Wood, director; and Jack V. Sewell, curator of Oriental and Classical art.

Phonthep said the new condition will benefit the Chicago institute in that it will have ancient art objects for exhibition and study.

The Chicago museum, after its March 14 board meeting, informed Thailand that the stone lintel will be sent back to Thailand "in time for the opening of the temple in April, pending an assurance that the Art Institute is offered a stone sculpture of the same period and of equal aesthetic value as a gift from Thailand and its appreciation for the sculpture's return."

HRH Princess Maha Chakkri Sirinthon will preside over the opening ceremony of the Phanom Rung Temple as a national historical park on April 28.

Dailies Assail Laos on Border Issue

BK270117 Bangkok *BANGKOK POST* in English
27 Mar 88 p 8

[From the "In Print" column "Laos under fire on border talks"]

[Text] LAK THAI, KHAO PISET AND SIAM RAT this week poured scorn on Laos for its reluctance to work towards long-term solutions to Thai-Lao border problems and attempt to drive a wedge between the Thai Foreign Ministry and the military.

LAK THAI says Vientiane was only interested in obtaining a ceasefire at Ban Romklao and now that this has been secured it is uninterested in further negotiations as evidence in this particular case is in Thailand's favour.

KHAO PISET says Laos has two different negotiating styles calling for drawn-out talks with the Foreign Ministry and speedy deliberations with the military.

SIAM RAT notes that Laos' intentions to sow division are clear in its rejection of a Foreign Ministry proposal to set up a joint border committee and wooing of Army Chief Gen Chawalit Yongchaiyut.

LAK THAI says the second round of talks in Vientiane last weekend was doomed to fail even before it started because Laos had already achieved its objective—cease-fire at Romklao—in the first round early this month and was now merely "playing for time."

At that time, Laos observed all the rules of diplomatic etiquette because it did not want to prolong the fighting "as they really are not ready to fight with us," the weekly close to military circles quoted a source as saying.

KHAO PISET calls for the setting up of a permanent joint committee to settle all outstanding border problems so that "good relations" can be developed in the fields of politics, economics and culture in future.

The weekly points out that there are 42 points along the 1,700-kilometre common border that could lead to disputes.

What is needed is peaceful co-existence and obstructions to this "do not lie in individuals" but in foreign policies and principles, it says.

SIAM RAT is fiercely critical of what it calls Lao "arrogance" in recent comments by Lao Army General Staff Chief Sisavat Keobounphan. It says territorial problems are of national concern, hence difficult for "any one hero" to solve "on the basis of good personal relations."

"For the time being, political negotiations should be stalled until Laos shows more sincerity in solving problems," it adds.

The duty of the Thai military in the meantime "should be to prepare to defend the border should there be another incursion at Hill 1428," it concludes.

Laotians Permitted To Visit Thai Market

BK280127 Bangkok *THE NATION* in English
28 Mar 88 p 2

[Text] Nong Khai—Thai vendors opened a market on a small islet on the Mekong River yesterday and attracted a lot of Laotians.

A lot of Laotian officials visited the temporary market, located between Tha Bo district of this northeastern province and Vientiane's Bo-O village, to buy food, shoes, fruits and clothes.

Laotian authorities said shoppers from Laos can visit the Thai market only on Saturdays and Sundays. Other conditions have not been set they said.

Thai officials told THE NATION they will not intervene in the business of the vendors, who came from Si Chiang Mai and Tha Bo districts.

However, the officials declined to say whether the opening of the market has anything to do with attempts to boost ties dented by the protracted dispute over a border area in Phitsanulok province.

Chawalit-Led Delegation To Visit Burma 5 April
BK290135 Bangkok THE NATION in English
29 Mar 88 p 3

[Text] Army Commander in Chief Gen Chawalit Yongchaiyut will make a one-day visit to Burma on April 5 after a postponement, informed army sources said yesterday.

The sources said the Burmese government yesterday told the Thai army chief that it was ready to welcome him and his delegation on that day.

Chawalit will lead a delegation comprising around 70 officials from the three armed forces and the Foreign Ministry on the visit which is designed to promote relations between the two countries.

The Burmese earlier postponed the visit following a spate of student riots in Rangoon.

Chawalit was earlier scheduled to visit Rangoon late this month.

Among the major topics expected to be raised during Chawalit's visit will be the army's proposal for Thailand and Burma to enter into a joint venture to build a dam on the Salween River in Burma. Thailand would buy electricity to be generated by the dam.

The sources said Chawalit came up with the idea because the army believes that the Nam Choan dam project is unlikely to materialize because of strong opposition. [as published]

Forces To Prevent Influx of Wa Refugees
BK290114 Bangkok THE NATION in English
29 Mar 88 p 4

[Text] The governor of Chiang Mai has ordered reinforcement of border patrol police and paramilitary troops on the Thai-Burmese border to prevent an influx of ethnic Wa refugees in light of the fierce offensive recently launched by the Burmese army.

All military and border police units along the frontier were put on alert for possible spillover of refugees into Thai territory. They were also instructed to bar and push back Wa refugees and deserters from entering Thai territory, Governor Phairat Decharin said.

An evacuation scheme was devised by provincial authorities in case of a spillover onto the Thai side of the border.

A border patrol police area commander in this province said about 400 Wa fighters were forced to flee into Thailand last Tuesday.

About 4,000 Burmese government troops, backed by heavy artillery and mortar fire, are about to capture a major Wa stronghold manned by 2,500 Wa guerrillas at Doi Lolae opposite the northern province, a source said.

The two sides have engaged in a series of fierce clashes, including hand-to-hand battles, since the middle of this month.

All but 50 of the Wa rebels who defended the camp were killed in the Burmese attacks, the source said. Burmese government troops also reportedly suffered great casualties.

But the casualty figures could not be independently confirmed.

Burmese infantrymen yesterday combed the hilly, forested area while artillery units shelled Wa positions in Shan State opposite Chiang Mai, with intensive bombardment.

Chawalit To Speak on Ban Romklao Dispute
BK270534 Bangkok BANGKOK POST in English
27 Mar 88 p 1

[Text] Army Chief Gen Chawalit Yongchaiyut has agreed to appear on television to defend the military's role in the Ban Romklao border conflict following a spate of criticism over his handling of the issue.

Deputy Army Commander-in-Chief Gen Wanchai Ruangtrakun said Gen Chawalit was expected to appear on television with permanent secretary for foreign affairs Kaesmsamoson Kasemsi who would give the Foreign Ministry's side during the broadcast.

[Bangkok THE NATION in English on 27 Mar on p 1 adds: "The two key players in the Thai-Lao negotiations will appear in the *Sonthana Panha Ban Muang* talk show of the Capital Security Command (CSC), which is on the two army-run TV stations (Channels 5 and 7) right after the evening news program."]

Gen Wanchai said the date and time of the broadcast have not yet been fixed, but he said he hoped to have the programme on the air before Parliament reconvenes on April 1.

The Army organised a similar broadcast by inviting Third Army Region commander Lt-Gen Siri Thiwaphan and Foreign Ministry spokesman Sarot Chawanawirat to explain the border dispute to the public.

The upcoming programme featuring Gen Chawalit and M.R. Kasemsamoson would be by senior official who were directly involved in decision-making. [sentence as published]

Last week, Gen Chawalit met with a group of academics to explain the situation, Gen Wanchai said.

Commenting on criticism from MPs over alleged mishandling of the issue by the military, Gen Wanchai said the Army was ready to provide explanations to enable politicians to understand the matter.

"The Army is always ready to explain the problem to anyone to create understanding about the issue," he said.

Asked about criticism in the press over the Ban Romklao incident, Gen Wanchai said:

"We are in a free country. Everyone has freedom of expression. We do not mind."

Meanwhile, Muan Chon Party leader Chaleom Yubam-rung yesterday said the Opposition had obtained enough support to call for a no-confidence debate against the Government.

He claimed United Democratwq Party leader Buntheng Thongsawat already had at least 10 signatures of MPs backing such a motion.

"Unless dirty tricks were used, the Opposition would definitely be able to submit the motion against the Government," he said.

Addressing a party meeting attended by about 200 members, Pol Capt [Police Captain] Chaleom claimed he knew the "actual cause" of the border fighting and why it had stopped.

Quoting what he said was military testimony to a recent session of the House Interior Affairs Committee, Pol Capt Chaleom said the committee had been told by an army representative the fighting was sparked by a logging conflict with Laos.

He claimed the cease-fire came about because the Thai military was running out of ammunition.

The committee had also been told by the army representative that Thai troops had fought not only with Laotian soldiers, but also with Cuban and Russian soldiers, he claimed.

Pol Capt Chaleom said he agreed with a suggestion that negotiations on the border dispute be handled by any person with a close relationship with Laos, and not exclusively the Foreign Ministry.

The talks should pave the way for an agreement to be formally endorsed and approved by Foreign Minister Sitth Sawetsila.

The reason the Government was trying to take the Army out of the negotiating process was because it was afraid the Army would gain credit for any success, he said.

Chawalit Says Press Has 'Excessive Freedom'

BK260049 Bangkok THE NATION in English
26 Mar 88 p 1

[Text] Khunying Phankhrua, wife of army chief General Chawalit Yongchaiyut, said the criticism by newspaper columnists of her recent visit to Laos was "disappointing and unfair."

Speaking to reporters at the Army Convention Hall yesterday afternoon, Phankhrua said she was hurt by the abrasive remarks made by some columnists about her three-day visit to Vientiane.

"They treat me as if I have done something awfully wrong. My husband said he was sorry for me. He said it appears that newspapers are enjoying excessive freedom," she said.

Chawalit told her that, as a guest, she was expected to be patient despite the "insulting" remarks made by Laotian Army Chief of Staff Sisavat Keobounphan to her and 20 wives of Thai military officers.

On Sunday, Gen Sisavat reportedly told the Thai women that Thailand could never defeat Laos in the border battle because even the United States lost when fighting Laotian troops.

Some columnists said it was inappropriate for Phankhrua to lead a delegation to Laos at a time when the two sides are negotiating to settle the border dispute.

They criticized her for being used as a tool by the insulting senior Laotian army officer.

Meanwhile, Thai army sources said the army has ordered an investigation into Sisavat's remark. Army officers have asked for recordings of his speech from reporters who accompanied the Thai military housewives.

Vietnam

List of Navy Personnel Missing in Spratlys BK280804 Hanoi Domestic Service in Vietnamese 2300 GMT 27 Mar 88

[List of "74 Vietnamese sailors who are still considered missing and for whom the search must continue"]

[Text] As already announced in earlier reports on the Chinese authorities' new crimes against the Vietnamese people in the Truong Sa [Spratly] Archipelago, on 14 March 1988 China sent warships armed with large-caliber cannons and missiles to set ablaze and sink three Vietnamese freighters— serial numbers 604, 605, and 505—which were anchored at the Len Dao, Colin, and Gac Ma coral reefs in Vietnam's Sinh Ton Islands. The Chinese vessels directed withering fire at the Vietnamese sailors on board the burning ships and even at those who had jumped into the water, who were drifting on rubber dinghies, or who were swimming in the sea, killing some of them. To date, 74 sailors still remain accounted for.

The Chinese have continued to order their warships to close in on, obstruct, blockade, and provoke Red-Cross-flag-flying Vietnamese rescue ships, preventing them from entering the area where the Vietnamese freighters were sunk to search for and rescue the vessels and sailors in distress.

Following is the namelist of the 74 Vietnamese sailors who are still considered missing and for whom the search must continue: 1. Vu Phi Chu, from Quang Khe village, Quang Xuong District, Thanh Hoa Province.
2. Nguyen Van Thang, from Thai Hung village, Thai Thuy District, Thai Binh Province.
3. Pham Gia Thieu, from Hung Dao hamlet, Trung Dong village, Nam Ninh District, Ha Nam Ninh Province.
4. Le Duc Hoang, from Nam Yen hamlet, Hai Yen village, Tinh Gia District, Thanh Hoa Province.
5. Tran Van Minh, from Dai Xuan hamlet, Quynh Long village, Quynh Luu District, Nghe Tinh Province.
6. Doan Tac Hoach, 163 Tran Nguyen Han, Le Chan Ward, Hai Phong Municipality.
7. Ta Tran Van Chuc, from Canh Tan village, Hung Ha District, Thai Binh Province.
8. Han Van Khoa, from Van Luong village, Tam Thanh District, Vinh Phu Province.
9. Nguyen Tien Hung, from Quang Xuong District, Thanh Hoa Province.
10. Le Minh Khoa, from Dinh An village, Tay Son District, Nghia Binh Province.

11. Nguyen Van Hai, from Sinh My village, Thuy Nguyen District, Hai Phong Municipality.
12. Nguyen Tat Nam, from Thuong Son village, Do Luong District, Nghe Tinh Province.
13. Tran Duc Bay, from Phuong Thuong hamlet, Le Hoa village, Kim Bang District, Ha Nam Ninh Province.
14. Do Viet Thang, from Thieu Tan village, Dong Son District, Thanh Hoa Province.
15. Nguyen Van Thuy, from Phu Ninh hamlet, Phuong Dinh village, Nam Dinh City, Ha Nam Ninh Province.
16. Pham Huu Doan, from Thai Phuc village, Thai Thuy District, Thai Binh Province.
17. Bui Duy Hien, from Tien Dien village, Thai Thuy District, Thai Binh Province.
18. Nguyen Ba Cuong, from Thanh Quit hamlet, Dien Thang village, Dien Ban District, Quang Nam-Danang Province.
19. Kieu Van Lap, from Phu Long hamlet, Long Xuyen village, Phuc Tho District, Hanoi.
20. Le Dinh Tho, from Hoang Ninh village, Hoang Hoa District, Thanh Hoa Province.
21. Truong Van Hien, from Huong Phong village, Huong Khe District, Nghe Tinh Province.
22. Cao Xuan Ninh, from Hoang Quang village, Hoang Hoa District, Thanh Hoa Province.
23. Nguyen Mau Phong, from Di Ninh village, Le Ninh District, Binh Tri Thien Province.
24. Tran Van Xuong, from Quang Phuc village, Quang Trach District, Binh Tri Thien Province.
25. Dinh Ngoc Doanh, from Minh Khang village, Hoa Lu District, Ha Nam Ninh Province.
26. Ho Cong De, from Hai Thuong village, Tinh Gia District, Thanh Hoa Province.
27. Dau Xuan Tu, from Nghi Yen village, Nghi Loc District, Nghe Tinh Province.
28. Bui Ba Khuyen, from Van Phong village, Cat Hai District, Hai Phong Municipality.
29. Dao Kim Cuong, Vuong Loc village, Trang Loc District, Nghe Tinh Province.
30. Phan Tan Du, from Hoa Phong village, Tuy Hoa District, Phu Khanh Province.
31. Nguyen Van Phuong, from Le Ninh village, Dong Hung District, Thai Binh Province.
32. Vo Dinh Tuan, from Ninh Ich village, Ninh Hoa District, Phu Khanh Province.
33. Nguyen Van Thanh, from Huong Dien village, Huong Khe District, Nghe Tinh Province.
34. Phan Huy Son, from Dien Nguyen village, Dien Chau District, Nghe Tinh Province.
35. Le Ba Giang, from Huong Dung District, Vinh City, Nghe Tinh Province.
36. Nguyen Thang Hai, from Son Kim village, Huong Son District, Nghe Tinh Province.
37. Pham Van Duong, from Nam Kim village, Nam Dan District, Nghe Tinh Province.
38. Ho Van Duoi, from Nghi Tien village, Nghi Loc District, Nghe Tinh Province.
39. Vu Dinh Luong, from Trung Thanh village, Yen Thanh District, Nghe Tinh Province.
40. Truong Van Thinh, from Dinh Kien village, Tuy Hoa District, Phu Khanh Province.

41. Tran Duc Thong, from Minh Hoa village, Hung Ha District, Thai Binh Province.
42. Tran Van Phong, from Minh Tam village, Kien Xuong District, Thai Binh Province.
43. Tran Quoc Chuy, from Dong Trach village, Bo Trach District, Binh Tri Thien Province.
44. Mai Van Tien, from Tay An village, Tien Hai District, Thai Binh Province.
45. Tran Duc Hoa, from Truong Son village, Le Ninh District, Binh Tri Thien Province.
46. Nguyen Van Thong, from Nhan Trach village, Bo Trach District, Binh Tri Thien Province.
47. Le Van Dong, from Tay Trach village, Bo Trach District, Binh Tri Thien Province.
48. Phan Van Thien, from Dong Trach village, Bo Trach District, Binh Tri Thien Province.
49. Tran Thien Tung, from Subward 2, Dong Ha City, Binh Tri Thien Province.
50. Tong Sy Bai, from Subward 1, Dong Ha City, Binh Tri Thien Province.
51. Hoang Anh Dong, from Subward 2, Dong Ha City, Binh Tri Thien Province.
52. Truong Minh Thuong, from Quang Son village, Quang Trach District, Binh Tri Thien Province.
53. Nguyen Minh Tam, from Dan Chu village, Hung Ha District, Thai Binh Province.
54. Tran Manh Viet, from Cell 36, Binh Vien Subward, Danang Municipality, Quang Nam-Danang Province.
55. Mai Van Hai, from Lien Trach village, Bo Trach District, Binh Tri Thien Province.
56. Hoang Van Tuy, from Hai Ninh village, Le Ninh District, Binh Tri Thien Province.
57. Vo Minh Duc, from Lien Thuy village, Le Ninh District, Binh Tri Thien Province.
58. Vo Van Tu, from Truong Son village, Le Ninh District, Binh Tri Thien Province.
59. Truong Van Huong, from Hai Ninh village, Le Ninh District, Binh Tri Thien Province.
60. Nguyen Tien Doan, from Ngu Thuy village, Le Ninh District, Binh Tri Thien Province.
61. Pham Huu Ty, from Phong Thuy village, Le Ninh District, Binh Tri Thien Province.
62. Nguyen Huu Loc, from Cell 22, Hoa Cuong village, Danang Municipality, Quang Nam-Danang Province.
63. Duong Quoc Hung, from Cell 5, Hoa Cuong village, Danang Municipality, Quang Nam-Danang Province.
64. Nguyen Phu Doan, from Cell 467, Hoa Cuong village, Danang Municipality, Quang Nam-Danang Province.
65. Pham Van Nhan, from Nghia Loi village, Nghia Hung District, Ha Nam Ninh Province.
66. Nguyen Sinh Kien, from Nam Tien village, Nam Ninh District, Ha Nam Ninh Province.
67. Duong Van Dubng, from Cell 53, Hoa Cuong village, Danang Municipality, Quang Nam-Danang Province.
68. Pham Van Loi, from Cell 53, Hoa Cuong village, Danang Municipality, Quang Nam-Danang Province.
69. Tran Van Quyet, from Quang Thuy village, Quang Trach District, Binh Tri Thien Province.
70. Pham Van Suu, from Cell 7, Hoa Cuong village, Danang Municipality, Quang Nam-Danang Province.

71. Tran Tai, from Cell 12, Hoa Cuong village, Danang Municipality, Quang Nam-Danang Province.
72. Le Van Sanh, from Cell 38, Tuyen Son hamlet, Hoa Cuong village, Danang Municipality, Quang Nam-Danang Province.
73. Le Thon, from Cell 29, An Trung Tay village, Danang Municipality, Quang Nam-Danang Province.
74. Tran Van Phong, from Hai Tay village, Hai Hau District, Ha Nam Ninh Province.

NHAN DAN Criticizes China's Policy of Force
BK270834 Hanoi VNA in English 0723 GMT
27 Mar 88

[Text] Hanoi VNA March 27—The national daily NHAN DAN today demands that China not use force to solve the current disputes between China and Vietnam over the Truong Sa and Hoang Sa [Spratly and Paracel] Archipelagoes and other border areas.

The paper reiterates the proposals put forth by Vietnam in its Foreign Ministry's notes of 17 and 23 March to China, proposing that the Chinese authorities sit down for negotiations with Vietnam and that pending the negotiations, both sides commit not to use force to solve the disputes. [Sentence as received]

"People of conscience can see clearly that the Vietnamese proposals are correct, which are aimed at defusing the explosive situation in the area of the Truong Sa Archipelago. They completely conform to the interests of the Vietnamese and Chinese peoples, and of peace and security in Southeast Asia," NHAN DAN says.

"But," it stresses, "contrary to our expectation and that of people of conscience throughout the world, China has turned down our proposals."

The paper recalls the erroneous allegations employed by the Chinese authorities in their note of 23 March to Vietnam, and says: "Reality has shown that the Chinese authorities have tried to stick to their policy of using force to solve disputes."

"The attitude of the Chinese authorities," NHAN DAN continues, "is in complete contravention of the growing trend of dialogue in Southeast Asia and the world as a whole. That attitude cannot but worry the people in the region, the Chinese authorities can no longer conceal their territorial ambitions in the Eastern Sea. It is clear to everyone that the Hoang Sa and Truong Sa Archipelagoes of Vietnam are but the nearest targets in China's southward movement."

The paper stresses that "more than anyone else, the Vietnamese people cherish peace and wish to put an end to all conflicts with China and restore their traditional friendship with the Chinese people, our tireless efforts in that direction have been demonstrated in the many initiatives and positive proposals we have made since

the relations between the two countries began to deteriorate, regrettably, our goodwill efforts have always met with a policy of brutal hostility." NHAN DAN says.

The paper again calls on China to meet Vietnam's proposals in its notes of 17 and 23 March and first of all the concrete proposal in its 26 March 1988 note that "while waiting for China to sit down at the negotiating table, Vietnam proposes that the two sides desist from using force to settle the dispute and to avoid all clashes in order to prevent the situation from becoming worse.

Army Paper Denounces Chinese Attack

*BK251603 Hanoi Domestic Service in Vietnamese
1400 GMT 25 Mar 88*

[QUAN DOI NHAN DAN 25 March commentary: "Their Attempt Is Obvious and Their Crimes Are Undeniable"]

[Text] On 14 March the Chinese dispatched warships armed with rockets and large-caliber cannons to fire on and set ablaze three Vietnamese freighters in the Sinh Ton group of islands in the Truong Sa [Spratly] Archipelago. Their criminal action is as clear as day. But over the past few days, by resorting to their familiar trick of putting a live coal in other people's hands, the Chinese side has time and again brought forth a fabricated allegation about the conflict, saying that the Vietnamese side opened fire first and China was forced to fight back in self defense.

First, it is necessary to affirm that since China's dispatch of a naval force to encroach on the Chu Thap coral reef on 20 January and the Chau Vien coral reef on 18 February, the Vietnamese side has practiced self-restraint, trying to avoid any situations that might lead to a conflict. The reason why we took an attitude of self-restraint is that we have always wanted to solve all differences and disputes between the two countries through negotiations and not through violence. Nevertheless, not only has the Chinese side overlooked our attitude of goodwill, but it has also forced its will ahead.

Following their capture of the Chau Vien and Chu Thap coral reefs in late February and early March, China continued to send its forces to occupy the Gaven, Kennan, and Gac Ma coral reefs in the Sinh Ton group of islands. They also stepped up various blockade-related activities and used force to make brazen provocations against Vietnamese freighters carrying out normal and legal operations in the region, trying to create a pretext for an armed conflict.

On 14 March the Chinese side made a new, serious criminal escalation. On that morning, while our three freighters—boats Nos 604 and 605 (Chinese-made freighters of Dai Khanh type) and boat No 505 (U.S.-made freighter)—were moored to unload food supplies on the Len Dao, Colin, and Gac Ma coral reefs in the

southwestern part of the Sinh Ton group of islands, Chinese warships armed with rockets and large-caliber cannons fired at, and set ablaze, our three freighters one after another.

Meanwhile, they also arrogantly sent a ground force to remove the Vietnamese flag and replace it with a Chinese flag. More barbarously, they shot and killed Lieutenant Tran Van Phuong and a number of our combatants while they were trying to persuade the Chinese to preserve the friendship between the two peoples of China and Vietnam, not to violate Vietnam's sovereignty, and not to shed blood. Chinese troops also fired at, and rounded up, our soldiers who were drifting at sea after their escape from the three freighters set ablaze by the Chinese.

Later, far from agreeing to comply with Vietnam's demand to withdraw its warships 60 nautical miles from the area where the rescue operation was being conducted, the Chinese side continually sent its ships to prevent and block the operation and used force to provoke Vietnamese rescue ships flying Red Cross banners, creating many difficulties in the search for, rescue, and emergency treatment of victims.

Developments in the above incident show that the Chinese side committed deliberate provocations and crimes, ignoring the Vietnamese side's attitude of self-restraint. China's allegation that Vietnamese ships fired on Chinese ships first and wounded Chinese soldiers is a mere fabrication. With this criminal act, they grossly trampled on international law and common ethics. Committing a crime and then casting the blame on others is a familiar trick of Beijing aimed at justifying its wrongful action and finding a pretext for perpetrating new crimes.

Large sections of world opinion, including the western public, believe that China's brazen military action on the morning of 14 March in Truong Sa was an intentional, calculated, and premeditated provocation that falls within Beijing's expansionist scheme. This action has resulted in a tense situation that can lead to a larger military conflict in the Truong Sa Archipelago.

China's scheme is to seek ways to maintain its presence in Vietnam's Truong Sa Archipelago, occupy more coral reefs, and create a foothold in order to intercept Vietnamese ships. Together with the ambitious goal of invading our territory, China has intentionally plotted to create a hotbed of conflicts in at sea in order to achieve its cruel design of bleeding Vietnam in the overall strategy of weakening Vietnam.

Many military commentators think Beijing is deploying a naval force larger than of any of its neighboring countries in this sea region; its Nanhai fleet is composed of 600 warships and submarines. This cannot but worry the countries in the Eastern Sea region.

Anyone who has a conscience and respect for reason can clearly see that Vietnam has no intention of, nor interest in, seeking military conflicts with China. Vietnam has consistently expressed its willingness to sit down at the negotiating table to settle the differences between the two countries. This not only manifests the goodwill of the Vietnamese people who have always cherished friendship with the Chinese people but also conforms with the trend for dialogue in the region and the world.

Our goodwill was further expounded in our Foreign Ministry's 23 March note to the Chinese Foreign Ministry, proposing that the two countries' governments appoint foreign ministerial or vice ministerial representatives to begin talks in Beijing at the earliest date, to be agreed upon by both sides.

With due respect for ethics, international law, and reason, China should end its acts of intrusion, which are causing tension in the Truong Sa Archipelago. It must quickly withdraw its military forces from this area of Vietnamese territory.

The Vietnamese troops and people have restrained themselves and avoided all armed conflict. However, territorial sovereignty is sacred to every nation. We resolve firmly to defend the territorial integrity of our beloved country.

Council Issues Collective Economy Regulations

Part 1

BK240600 Hanoi Domestic Service in Vietnamese
1100 GMT 21 Mar 88

[Text] On 9 March the chairman of the Council of Ministers signed a decree promulgating the regulations regarding collective units in industrial production, service industry, construction, and transportation. These regulations contain five parts: Part 1 provides general guidelines; part 2 deals with policies on materials, products consumption, finance, and credit; part 3 deals with policy toward science and technology; part 4 deals with policy on labor and social welfare; and part 5 deals with regulations for implementation. The following is part 1 of these regulations:

Part 1—General Guidelines:

Article 1: The collective economy is a component of the socialist economic sector. Collective economic units are closely linked to state-owned economic units in both technological and economic plans. To develop the leading role of the state-owned economic sector, it is necessary to develop the collective economy, ensuring that socialist production relations in collectively-owned economic units be increasingly consolidated and perfected so they can fully develop their superiority over the privately owned and business-based economic sectors.

The state shall create favorable conditions and map out economic policies aimed at encouraging collectively owned economic units to increase their material-technical bases and improve their managerial skills so they can increase production, improve labor output and the welfare of workers, increase contributions to the state, and consolidate socialist production relations.

The state shall formulate economic policies and provide guidance and assistance to collectively owned economic units so they can effectively develop production and business in industrial production, service industries, construction, and transportation. At the same time, based upon economic results, the state will step up the division and specialization of work and cooperativization between collectively owned economic units and state-owned economic units, between areas, and between production sectors.

Article 2: A collectively run economic unit is an autonomous unit of cooperative members. It has its own means of production and capital, makes its own decisions concerning production and business, and takes responsibility for income generation, losses, and profits. A collectively owned economic unit has a juristic entity.

Article 3: The state shall protect the property and legal income of collectively owned economic units and of those workers who are members of these economic units. Violations of these rights shall be dealt with by law.

Article 4: Collectively owned economic units are duty-bound to comply strictly with the state law and policies and to pay taxes in accordance with regulations. All collectively owned economic units must abide by the state accounting and statistics system and must use those accounting organizations which have been registered with relevant financial organs and those bills of sale issued by these financial organs. The Ministry of Finance and the General Statistics Department must carefully stipulate an accounting and statistical system suitable to various kinds of collectively owned economic units.

Article 5: Those who have funds and technical skills and those who work and are not in-service cadres, workers, and civil servants, are authorized to gather together voluntarily into collective economic units. All collective economic units, operating now or newly established, are authorized to select on their own one of the suitable organizational forms cited below. They may request disbanding or a change in organizational scale or form without restraint by anyone:

A. A high-level cooperative is a cooperative economic unit in which the means of production and other assets owned by the collective must account for the major part of the cooperative's capital. This share is to grow constantly through accumulation of profits. The cooperative may also offer shares to cooperative members and individuals outside the cooperative in order to expand production. The cooperative head and management are

elected at the congress of cooperative members. Production and business must follow the rules of the cooperative and the resolution of the cooperative members' congress. Cooperative members' income is distributed primarily according to their labor. Profits from shares are distributed according to the decision of the cooperative members' congress.

B. A low-level cooperative is a cooperative economic unit in which the means of production and other assets are contributed for the most part by cooperative members. The remainder is owned by the collective and is to grow continually through accumulation of profits. The cooperative may offer shares to individuals outside the cooperative. The cooperative head and management are elected at the congress of cooperative members. Production and business must follow the rules of the cooperative and the resolution of the cooperative members' congress. Income is distributed according to labor and shares. Specific rates are decided by the congress of cooperative members. Profits from shares are distributed according to the decision of the cooperative members' congress.

C. A cooperative group is a collective economic unit whose mode of operation is similar to that of the low-level small-scale cooperative with only one fourth of its production means and capital in cash owned by the collective which continuously grows through accumulation of profits. The scope of trade and jobs, the scale of organization, and the maximum number of workers in the cooperative group are specifically determined by the people's committees of provinces, cities, and special zones directly subordinate to the central government to suit the conditions of each locality.

Production teams and groups of small industry and handicrafts may be detached from agricultural cooperatives to become cooperative teams or groups or small industry and handicraft cooperatives.

Article 6: The state encourages collective economic units to develop from the lower to the higher level on the strength of developing production forces, perfecting socialist production relations, and ensuring ever higher production and business results. The state encourages cooperatives to merge into unions voluntarily or to seek alliance and joint business with state-owned economic installations and economic units of other economic components on the basis of rules for voluntary alliance and joint business which have been registered and approved by the state.

Article 7: Collective economic units must register their businesses before being authorized to operate and must operate in line with the registered trades, jobs, and products. Any modification thereof must be reported to request an adjustment. Collective economic units' requests for business registration are considered and approved by the district and precinct people's committees. Large-scale units' requests will be considered and

recommended for approval by the district and precinct people's committees to the people's committees of provinces, cities, and special zones directly subordinate to the central government.

Article 8: Collective economic units that turn out products en masse must register the quality and brand of their products with the local weight, measure, and quality control agency. Production units can keep their patent rights for those registered sample products and may denounce forgers of their products to the authorized state agencies.

Article 9: All levels of administration are authorized to supervise and control collective economic units' compliance with the state law and stipulations but may not intervene in legal production and business operations nor collect any amount of money besides taxes and other legal collections. Article 10: Collective economic units that undertake production and business involving the following trade, jobs, and products, must comply with separate stipulations:

A. Those trades, jobs, and products for which special permission must be obtained before production and business can be carried out: Collective economic units are not allowed to undertake production or business involving occupations and products affecting national security and social order such as the production and processing of explosives, poisons, toxic chemicals, and narcotics; the manufacture of weapons and wireless radio transmitters; and those occupations and products monopolized by the state such as printing, publication, gold, diamonds, gems, wine, cigarettes, transitory and distant transportation.

The ministries in charge of these production sectors must issue specific regulations to guarantee the implementation of this decree. In special cases where there are exceptions, permission must be obtained from the Council of Ministers or from one of its organs.

B. Branches, trades, and products that require separate regulations: The ministries concerned are responsible for issuing specific regulations regarding procedures and conditions to be observed by collectively-owned economic units engaged in production and business in those branches, trades, and products that are related to the people's health and environmental protection; that call for the rational use of natural resources and important materials of the national economy such as medicine, food, refreshment drinks, in the exploitation of timber and forestry, marine, and mineral products, in large-scale construction activities, in transportation—covering overland, waterway, and interprovincial transportation—and in shipbuilding; and that consume large amounts of electricity. Also included in these categories are jewelry, the repair of electronic communication

devices, the manufacture of car and bicycle tires, electric stoves, heaters, and gauges, electric cooking utensils, and appliances, electric fans and motors, bicycles and bicycle parts.

The provincial and city people's committees are responsible for issuing regulations regarding procedures and preconditions to be fulfilled by collective economic units when engaging in production and business in those branches and trades affecting the specific socioeconomic situation of each locality such as making bricks and tiles, using steam boilers in cities, using water resources, and treating industrial waste.

Parts 2-5

BK241657 Hanoi Domestic Service in Vietnamese
1100 GMT 22 Mar 88

["Last parts" of the regulations for collective units in industrial production, service industry, construction, and transport promulgated by the Chairman Council of Ministers on 9 March]

[Text] Part 2—Policies Governing Materials, Product Consumption, Financing, and Credit Services:

1. Regarding materials, technical equipment, and product consumption.

Article 11: Collective economic units are entitled to make joint or separate efforts to exploit and make full use of all sources of raw materials and fuel as well as all locally available forms of energy, provided they abide by the regulations concerning specialized trades, jobs, and products stipulated under Article 10.

Exploiting and making full use of locally available raw materials and fuel constitutes the key factor for boosting production output. The state, through its economic policies, encourages and creates favorable conditions for collective economic units to discover and exploit locally available raw materials in order to substitute them for imported raw materials and increase production output.

Article 12. No collective economic units are allowed to sell materials subject to the state's management and sole distribution. As far as these materials are concerned, the Ministry of Supply must provide the collective economic units with a complete catalogue and instructions on how to make purchases for production purposes and how to sell the leftovers.

Article 13. All collective economic units are entitled to purchase retail materials and equipment and sell their products at prices agreed upon with state-operated business organizations, material supply corporations, state-owned industrial enterprises, and trade corporations in accordance with purchase orders, economic contracts, or bids.

The state may entrust collective economic units with manufacturing goods that prove to be of better quality than those produced by state-operated enterprises, with establishing labor cooperation with state-operated industrial enterprises and trade corporations, and with making joint ventures with state-operated industrial enterprises in order to have materials and equipment to increase production output.

Article 14. The state creates favorable conditions for collective economic units and gives them privileges so they can have better equipment and more advanced technology to enlarge their production facilities. On the recommendation of central economic and technical management organs or provincial or municipal industrial offices, collective economic units that pattern their production guidelines along the state's long-range objectives and plans may receive assistance from competent state organs in building their production facilities.

Collective economic units may purchase machinery, equipment, and transportation means falling under the categories allowable for sale by state-operated economic units. Collective economic units are entitled to lease fixed assets that are owned by state-operated economic units but are temporarily set aside for future use or have not been put to full use, and to establish labor cooperation with those units. Collective economic units are allowed to purchase part or all of any production facilities owned by a state-operated economic unit, provided that a decision on the dissolution of a part or the whole of that state-operated economic unit has been made by competent echelons.

Article 15. Collective economic units are allowed to use foreign currencies legitimately put at their disposal to purchase raw materials, supplies, and equipment from foreign countries through state-operated import-export agencies and to receive an unlimited amount of materials, equipment, and foreign currencies from cooperative members' overseas relatives under a privileged taxation policy.

Article 16. Collective economic units are entitled to the right to dispose freely of those goods that fall beyond the norms set for the amount of materials purchased and the quantity of goods sold, those products made through labor cooperation with state-operated business organizations, and those commodities manufactured through self-supplied means of production in accordance with the state-regulated policy on goods circulation.

Article 17. Joint production ventures and purchase and sale of materials and goods between collective economic units themselves as well as between collective economic units and state-operated economic units and other economic units must be conducted through economic contracts and in compliance with the state-regulated contractual system.

2. Regarding export-import.

Article 18. Collective economic units are entitled to the right to choose the kinds of state-operated export-import agencies they want to export their products or to import materials in accordance with the terms agreed upon in various economic contracts, to negotiate with customers at home and abroad, to use foreign currencies according to state regulations, and to sell products to, or purchase materials and commodities from, state-operated export-import agencies in accordance with various economic contracts.

Article 19. Collective economic units are allowed to hold shares with Vietnam's state-operated economic agencies in making joint production ventures with overseas Vietnamese or foreigners or in providing labor for export production operations in accordance with the law on investment.

Article 20. Collective economic units may participate voluntarily in joint export production ventures. The participants' rights and responsibilities must comply strictly with economic contracts or with the regulations governing these joint production organizations.

3. Regarding financing and credit services.

Article 21. Collective economic units may obtain loans or acquire funds from the people in the form of shares to enlarge their production and business facilities. Lenders and shareholders may divide their profits in accordance with the procedures and rates to be determined by the congress of cooperative members.

Article 22. The state allows collective economic units to borrow funds from cooperative members' overseas relatives through the Vietnam Foreign Trade Bank, and to pay their debts with foreign currencies legitimately placed at their disposal or with goods permitted for exportation. Concrete regulations concerning this issue shall be promulgated by the Vietnam State Bank.

Article 23. Collective economic units and industrial production, and industrial service, construction, and transport sectors are dutybound to implement scrupulously the state industrial and trade taxation policy and its amendments stipulated under the State Council's regulations dated 17 November 1987 and the Council of Ministers's Decree No 09-HDBT, dated 30 January 1988.

The Ministry of Finance shall assist local tax agencies with tax computation methods so they can help production organizations determine the amount of taxes they have to pay, strictly comply with the current accounting system, and combat such negative phenomena as tax evasion, false tax returns, and all acts likely to cause inconvenience to tax collection services.

Article 24. After fulfilling their duty of paying taxes, collective economic units are free to decide on income distribution and disposal according to their regulations.

Those issues concerning funds to be contributed to the association of higher-level cooperatives, the amount of contributions and their spending purposes, and supervision over work implementation shall be decided by the congress of delegates to the association of cooperatives. The congress of cooperative members shall decide on the kinds of funds to be established by collective economic units and the amount of contributions to be made, and shall also oversee work implementation.

Article 25. Collective economic units may open accounts at those provincial or municipal banking facilities that are most convenient to them. Nevertheless, only one account is allowed at a time. Favorable conditions will be created for collective economic units to make payments in various forms through the banking service, to withdraw money from their bank accounts, and to get loans to enlarge their production facilities in accordance with the credit terms set by the banks.

Part 3—Policies Governing Science and Technology:

Article 26. Collective economic units are allowed to cooperate with scientific and technological research organizations and universities in studying and solving scientific and technological problems concerning production. Heads of scientific and technological organizations shall sign the cooperation contracts and undertake not to disclose state secrets and other technological secrets that have not been declassified. Concrete regulations regarding this issue as well as guidance over work implementation shall be promulgated by the State Science and Technology Commission.

Article 27: All high-quality products and goods and export products of the collectively-owned economic sector enjoy the same preferential state policies as those of the state-operated economic sector.

Article 28: Cooperatives and their members must register their new scientific and technical discoveries with the authorized state agencies so that their patent rights can be retained while commendations and rewards for their new findings can be considered by the state in accordance with the common regulation concerning the introduction of invention, and compensation for the use of these new findings can be paid by the units concerned in accordance with the state system.

Article 29: Graduates from colleges, vocational middle schools, or technical workers schools, who have undergone training provided by the state but are still not employed by the state, should be encouraged to work in various collective units. Meanwhile, all collectively owned units are authorized to send their personnel for training or advanced training to improve their knowledge at various state schools under the regulations of the Ministry of Higher and Vocational Education.

Article 30: Collectively owned economic units with export products can send their personnel to study the market and receive technical training in foreign countries through the contracts, plans, and expenses of the units receiving the export-import authority.

Part 4—Labor and Social Policies

Article 31: All collectively owned economic units must enforce the state's law on labor and all specific regulations—which have been promulgated by the Ministry of Labor and Ministry of War Invalids and Social Welfare—on the hiring, use, and safe treatment of laborers, labor safety, and environmental production in accordance with this decree.

Article 32: Collectively owned economic units are allowed to recruit and admit new cooperative members as decided by cooperative members's congresses and to hire laborers through labor contracts. They must comply with the state household management system.

Article 33: Social insurance systems in the collectively owned economic sector shall be implemented as stipulated by the Central Union of Small Industry and Handicraft Cooperations and depending on the capabilities of each cooperative. The Central Union of Small Industry and Handicraft Cooperations must guide and organize follow-up and assistance activities in order to constantly increase self-provided insurance funds to cover the retirement system and the system of assistance for maternity, sickness, and temporary incapacity. Workers in collectively owned economic units are entitled to all social welfare benefits accorded to the entire people.

Part 5—Execution Clauses

Article 34: These regulations shall be executed uniformly nationwide. All regulations previously promulgated by the Council of Ministers or the People's Committees at various levels that are at variance with the above regulations shall hereby be rescinded.

Article 35: All ministries and other relevant organs of the Council of Ministers, and the people's committees of those provinces, cities, and special zones under the direct jurisdiction of the central government must use these regulations as the basis for rules and regulations covering those areas of activity within their responsibility and **must provide guidance** for implementation. The Ministry of Construction and the Ministry of Communications and Transportation must formulate specific stipulations to apply these regulations in such a way as to suit the specific conditions and characteristics of their own sectors. Propaganda organs are responsible for producing widespread propaganda to make the masses understand the new policy correctly so that they can respond to it positively.

Paper Comments on Collective Economy Policy BK241025 Hanoi Domestic Service in Vietnamese 2300 GMT 20 Mar 88

[NHAN DAN 21 March editorial: "An Important Moving Force To Stimulate Development of Collective Economy in Industrial Production and Service"]

[Text] The collective economic sector of the industrial production, construction, and transportation sector has, together with the state-run industrial sector, made important contributions to socialist industrialization and the implementation of the three major economic programs. For many years now, the value produced by this economic sector has accounted for approximately 50 percent of the value of gross industrial product, more than 70 percent of local industrial product, and more than 20 percent of the national export value.

All party resolutions have affirmed that the collective industrial sector plays an important and lasting role in the national economy. Our state has promulgated many policies aimed at encouraging the development of small industry and handicrafts. However, generally speaking uniform and consistent systems and policies have not been worked out yet. As a result, many potentials of this sector have not been exploited, and production and business efficiency has remained low. Handicraft workers, affected by an inferiority complex resulting from discriminatory treatment, display neither peace of mind nor enthusiasm for production.

The collective economy is a component of the socialist economic sector and consists of high- and low-level cooperatives and production cooperation teams. These economic units are closely associated with the state-run economic units in the structure of the economic-technical sector and that of the national economy in which the state economic sector plays the leading role. The decree promulgated by the Council of Ministers along with the regulations and policies on the collective economic units engaged in industrial production, industrial services, construction, and transportation affirms this lasting existence and close relationship and considers the collective economic unit a self-managed economic unit of the collective of cooperative members with its own means of production and other assets, able to make decisions on all problems regarding production and business, and responsible for its own income, profits, and losses.

The state has defined through a written document the legal status of and protects the property ownership and legitimate incomes of collective economic units and laborers who are members of these economic organizations. At the same time, the state has also clearly defined the responsibility and obligation of these economic units, namely, to strictly observe the state law and policy and to pay taxes in strict accordance to regulations.

On the basis of democracy and voluntariness, production establishments have the right to make decisions on their own production and business activities, on the forms and scales of their organizations, and on the distribution of their own incomes, provided these decisions are not at variance with the general state regulations.

According to the specific policies regarding materials, technical equipment, product marketing, import-export, finance, credit, science and technology, labor and social welfare, production establishments will be provided with all favorable conditions to bring into full play their right to self-management and to freely contribute their talents and intellect to the improvement of production and business efficiency. There will be no discrimination between the state-run and collective sectors.

The state encourages and protects those establishments and individual cooperative members who excel in production, earn high incomes, enrich themselves in a legitimate fashion, and make substantial contributions to the collectives and the state.

The new policy marks a further step forward in renovating the management of small industry and handicrafts in line with the spirit of resolutions of the Sixth CPV Congress and subsequent party Central Committee's plenums. In daily life, this policy will surely stir up fresh enthusiasm in the contingent of more than 1.6 million members of small industrial and handicraft cooperatives and bring into full play unexploited potentials in this important economic sector, thereby contributing together with state-run industry and other economic sectors, to successfully carrying out the three major economic programs.

Australia

Government To Continue Opposing French Testing *BK290626 Melbourne Overseas Service in English* 0500 GMT 29 Mar 88

[Text] Australia's foreign minister, Mr Hayden, says the government will maintain its strong opposition to French nuclear testing in the Pacific regardless of where it is conducted. French newspaper reports say a decision has been made to move the underground nuclear test program from Mururoa Atoll to nearby Fangataufa Island for safety reasons.

The commander in chief of French naval forces in the Pacific, Vice Admiral Pierre Thireaut, is reported to have said the shift follows concern that repeated underground blasts might eventually split the earth structure beneath Mururoa.

Mr Hayden said that this corroborated the views expressed by a scientific investigation several years ago. The scientists stated that long-term testing was likely to cause degeneration of the coral reef and possible leakage of radioactive material.

Mr Hayden commented that that Australian Government could have no confidence in French assurances that the nuclear tests were safe when they were being moved to another site where the same faults in the earth structure could develop.

Meanwhile, the New Zealand Government has issued a statement saying that the reported move to Fangataufa caused serious doubts about Mururoa's safety.

French Assurances on Fiji Aid Package Cited *BK290646 Melbourne Overseas Service in English* 0500 GMT 29 Mar 88

[Text] The French Government is reported to have assured Australia that it has no intention of providing military aid to Fiji. A senior Australian Defense Department official, Mr (Stephen Merchant), said this in testimony to a parliamentary committee inquiring into Australia's relations with the South Pacific.

Mr (Merchant) told the committee the French Government had told Australia it was negotiating with Fiji about a civil aid package. He said the French had given an assurance that no military aid was included in the package.

Mr (Merchant) said no decision had been made by Australia about whether to go ahead with the delivery of four patrol boats which were to have been built for Fiji. Australia had planned to build 12 patrol boats for South Pacific countries under its defense cooperation program.

Mr (Merchant) said Australia's defense cooperation with Fiji had been suspended following last year's military coups, and no decision had been taken on whether to go ahead with the four patrol boats. He said there appeared to be fluctuating interest in Fiji on whether to accept or decline the patrol boats.

Vanuatu

President Comments on Relations With France *BK280608 Melbourne Overseas Service in English* 0500 GMT 28 Mar 88

[Text] Vanuatu's head, President Sokomanu, has called for normalization of relations between his country and France. He made the call when opening the Vanuatu Parliament's first ordinary session for the year.

President Sakomanu urged the government to urgently enter into dialogue with France to normalize relations.

Relations between Vanuatu and France became strained after Vanuatu Government expelled the French ambassador, Mr Henri Crepin-Leblond, last October for alleged interference in Vanuatu's internal affairs.

President Sokomanu warned France against interfering in Vanuatu's internal affairs if relations between the two countries were to be normalized. He said that as a result of the poor relations, Vanuatu had lost substantial aid from France. It appeared that this money was now going to Fiji which he said received \$11 million in French aid last year.

Replying to the president's speech, the prime minister, Father Walter Lini, promised that relations with France would be normalized, but he added that it would take time.

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